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8 100 Pleasant Valley Road
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9
10 **UNITED STATES BANKRUPTCY COURT**
CENTRAL DISTRICT OF CALIFORNIA
11 **LOS ANGELES DIVISION**

12 In re)
13 COLOREP, INC.,)
a California corporation, *et al.*,)
14)
Debtors.)
15 Tax I.D. Nos. 94-3055026 (Colorep, Inc.) and)
16 54-1200596 (Transprint USA, Inc.))

Case No. 13-bk-27689-WB

) Chapter 11
) (Jointly Administered)

) **FIRST INTERIM APPLICATION OF**
) **EXECUTIVE SOUNDING BOARD**
) **ASSOCIATES, LLC AS CHIEF**
) **RESTRUCTURING OFFICER TO THE**
) **DEBTORS FOR COMPENSATION AND**
) **ALLOWANCE OF PROFESSIONAL**
) **FEES AND EXPENSES DURING THE**
) **PERIOD FROM JULY 10, 2013**
) **THROUGH OCTOBER 31, 2013;**
) **DECLARATION OF ROBERT D. KATZ**
) **IN SUPPORT THEREOF**

20)
21) **Hearing Date**
22)

22) Date: January 30, 2014

23) Time: 10:00 a.m.

24) Location: Courtroom 1375
25) 255 East Temple Street
26) Los Angeles, CA 90012
27)
28)

**TO THE HONORABLE JULIA W. BRAND, UNITED STATES BANKRUPTCY JUDGE,
THE OFFICE OF THE UNITED STATES TRUSTEE, AND ALL OTHER PARTIES
ENTITLED TO NOTICE:**

Executive Sounding Board Associates, LLC¹ ("ESBA"), Chief Restructuring Officer ("CRO") for Colorep, Inc. ("Colorep") and Transprint USA, Inc. ("Transprint", and together with Colorep, the "Debtors"), hereby submits this *First Interim Application of Executive Sounding Board Associates, LLC for Compensation and Allowance of Professional Fees and Expenses During the Period From July 10, 2013 Through October 31, 2013* (this "Application"), for the period from July 10, 2013 (the "Petition Date") through and including October 31, 2013 (the "First Interim Period"), pursuant to the terms of ESBA's employment in the above-captioned bankruptcy cases, as provided in the *Debtors' Notice of Motion and Motion Pursuant to Bankruptcy Code Sections 105(a) and 363 for Entry of an Order Authorizing the Employment of Executive Sounding Board Associates Inc. to Provide Crisis Management Services and to Provide Robert D. Katz to Serve as Chief Restructuring Officer from the Petition Date* [Docket No. 80] (the "ESBA Employment Motion")² and the *Order Authorizing the Employment of Executive Sounding Board Associates Inc. to Serve as Chief Restructuring Officer Pursuant to Bankruptcy Code Section 327* [Docket No. 245] (the "ESBA Employment Order"), entered by the Court on November 18, 2013.³ The Application is supported by the Declaration Robert D. Katz, and filed pursuant to sections 330 and 331 of the Bankruptcy Code, Federal Rule of Bankruptcy Procedure 2016(a), and Local Bankruptcy Rule 2016-1.

By this Application, ESBA requests interim allowance of \$432,055.25 for services rendered to the Debtors during the period from July 10, 2013 through October 31, 2013 (the "First

¹ The Court has approved the Debtors' employment of Executive Sounding Board Associates, Inc. as the Debtors' CRO. As reflected in the notice of even date herewith, Executive Sounding Board Associates, Inc. is now Executive Sounding Board Associates, LLC. This change does not alter the persons primarily responsible for acting on behalf of the Debtors in these bankruptcy cases. For the purpose of avoiding confusion, Executive Sounding Board Associates, Inc. and Executive Sounding Board Associates, LLC will both be referred to in this Application, interchangeably, as "ESBA."

² A copy of the ESBA Employment Motion is attached to the Declaration of Robert D. Katz (the "Katz Declaration") as **Exhibit A**.

³ A copy of the ESBA Employment Order is attached to the Katz Declaration as **Exhibit B**. Pursuant to the ESBA Employment Order, ESBA was retained by the Debtors effective as of the Petition Date.

Interim Period"), and \$20,793.29 for out of pocket expenses ESBA advanced during this period, for a total award of \$452,848.54 in the Debtors' chapter 11 cases. ESBA's request for interim allowance of its fees incurred represents 1,061.1 hours spent at a blended hourly rate of approximately \$407.20 per hour.⁴ A schedule of the professionals who provided services to the Debtors during the First Interim Period, including the amount of hours billed and fees incurred, is provided in **Exhibit C** to the Katz Declaration.

As explained in further detail below, as of the date of this Application, ESBA has received a retainer in the amount of \$353,660 (the "Chapter 11 Retainer") to secure the payments of ESBA's fees and expenses incurred during these cases. Pursuant to the terms of the ESBA Employment Order and the Office of the United States Trustee ("UST") "Guide to Applications for Retainers, and Professional and Insider Compensation," ESBA has exhausted the Chapter 11 Retainer, applying a total of \$353,660 against ESBA's fees and costs during the First Interim Period. After the exhaustion of the Chapter 11 Retainer, ESBA is owed an unpaid balance of \$99,188.54 for its fees and costs during the First Interim Period. A table setting forth ESBA's monthly fees and expenses, and outstanding balances on account thereof is provided below:

Application Fee and Expense Breakdown				
Fee Statement Period	Fees	Expenses	Total Fees & Expenses	Outstanding Balance
7/10/13 – 7/31/13	\$128,165.50	\$8,996.87	\$137,162.37	\$25,633.10
8/1/13 – 8/31/13	\$141,183.50	\$7,533.03	\$148,716.53	\$28,236.70
9/1/13 – 9/30/13	\$91,245.00	\$2,151.35	\$93,396.35	\$18,249.00
10/1/13 – 10/31/13	\$71,461.25	\$2,112.04	\$73,573.29	\$27,069.74
Totals	\$432,055.25	\$20,793.29	\$452,848.54	\$99,188.54

Through this Application, ESBA is not seeking from the Debtors additional compensation for any unpaid fees or expenses. However, pursuant to the terms of the Asset Purchase Agreement [Docket No. 214] (the "APA"), approved by the Court on October 4, 2013, and

⁴ The \$432,055.25 billed for ESBA's services during the First Interim Period do not include billing of travel time of 130.4 hours as an accommodation to the Debtors and their estates.

described in detail below, ESBA is owed by the purchaser of the Debtors' assets (the "Purchaser") an additional \$85,000 (a "Supplemental Retainer") to be paid in six monthly installments subsequent to October 7, 2013, the closing date of the sale of substantially all of the Debtors' assets to the Purchaser (the "Sale"). Through this Application, ESBA requests that, upon full or partial receipt of the Supplemental Retainer, ESBA be permitted, without further notice to the Court or interested parties, to draw down on such retainer for any fees or expenses allowed on an interim basis but for which ESBA has not yet been compensated.

I.

BACKGROUND INFORMATION

A. Background Regarding ESBA's Employment.

On July 30, 2013, the Debtors filed the ESBA Employment Motion, pursuant to which the Debtors sought to employ ESBA as their CRO under Bankruptcy Code sections 105(a) and 363. The ESBA Employment Motion was served on, among others, the UST, the Debtors' twenty (20) largest unsecured creditors, and on parties asserting security interests against the Debtors' assets. No objections were filed to the ESBA Employment Motion, and the Debtors informally addressed any concerns raised by the UST. To address its own concerns with respect to the terms of ESBA's employment, the Court held a hearing to consider the ESBA Employment Motion on October 24, 2013 (the "ESBA Employment Hearing"). At the ESBA Employment Hearing, the Court denied the Debtors' request to employ ESBA under Bankruptcy Code sections 105(a) and 363, but approved ESBA's employment as the Debtors' CRO pursuant to Bankruptcy Code section 327(a), *nunc pro tunc* to the Petition Date. Accordingly, ESBA's employment in these cases has been approved pursuant to the terms set forth in the ESBA Employment Motion, as modified under the ESBA Employment Order.

B. No Prior Fee Application in These Cases.

This is ESBA's first interim application for compensation of fees and reimbursement of expenses in these cases. Pursuant to the ESBA Employment Order, ESBA is required to serve monthly professional fees statements (the "Professional Fee Statements") on certain parties by the twentieth day of each month, setting forth in detail the preceding month's fees and expenses. If no

objection is filed to a Professional Fee Statement, ESBA is authorized to draw down the Chapter 11 Retainer to compensate ESBA for eighty percent (80%) of the fees and one-hundred percent (100%) of the costs set forth in such statements.

ESBA served four (4) Professional Fee Statements before the Chapter 11 Retainer was exhausted.⁵ Pursuant to the ESBA Employment Order, having received no objections to the Professional Fee Statements within the prescribed period of time, ESBA has drawn down the full amount of the Chapter 11 Retainer. Specifically ESBA drew down from the Chapter 11 Retainer the following amounts:

- (i) \$111,529.27 for the period July 10, 2013 through July 31, 2013;
- (ii) \$120,479.83 for the period August 1, 2013 through August 31, 2013;
- (iii) \$75,147.35 for the period September 1, 2013 through September 30, 2013;

and

- (iv) \$46,503.55 for the period October 1, 2013 through October 31, 2013.⁶

ESBA, in its independent billing discretion, has voluntarily written off all travel time billed by its professionals during the First Interim Period.

ESBA respectfully requests that the Court allow, on an interim basis, fees in the amount of \$432,055.25 and expenses in the amount of \$20,793.29 incurred by ESBA for the First Interim Period. In addition, ESBA respectfully requests that the Court permit ESBA, upon receipt of any Supplemental Retainer, to draw down any amounts allowed for the First Interim Period for which ESBA has not yet been compensated.

C. Summary of Services Rendered by ESBA during the First Interim Period.

As is demonstrated in more detail below, the compensation requested herein by ESBA is reasonable based on the nature and extent of the services rendered, the size and complexity

⁵ Prior to the entry of the ESBA Employment Order, rather than serving Professional Fee Statements, ESBA filed with the Court and served certain notices of its fees and expenses for the periods from July 10, 2013 through July 31, 2013 [Docket No. 200] and from August 1, 2013 through August 31, 2013 [Docket No. 226]. Pursuant to the ESBA Employment Order, these notices were sufficient to satisfy ESBA's obligation to serve Professional Fee Statements for the months of July and August 2013.

⁶ The \$46,503.55 draw down was only a partial payment of the 80% of fees and expenses incurred by ESBA during the month of October 2013.

1 of these cases, the time, labor, and special expertise brought to bear on the questions presented, and
2 other related factors. As a result, ESBA submits that the compensation sought herein is reasonable
3 within the meaning of sections 330 and 331 of the Bankruptcy Code.

4 The professional services performed by ESBA during the First Interim Period were
5 necessary and appropriate to fulfill the obligations of the Debtors given the nature and complexity of
6 the issues at hand. The professional services performed by ESBA during the First Interim Period
7 were in the best interests of the Debtors and other parties in interest, and were performed in an
8 expeditious and efficient manner.

9 During the First Interim Period, consultants associated with ESBA expended 1,061.1
10 hours in advising the Debtors in these cases. ESBA performed a wide variety of services in
11 connection with serving as the Debtors' CRO and advising the Debtors in these Chapter 11 cases.
12 As CRO to the Debtors, ESBA has responded to the numerous and various requests of the Debtors,
13 their counsel, Stutman Tresiter & Glatt Professional Corporation ("ST&G"), the Debtors' Board of
14 Directors, and the Debtors' lenders and other stakeholders. Detailed daily time records setting forth
15 the services performed by ESBA during the First Interim Period are attached to the Katz Declaration
16 as **Exhibit C**, but ESBA's services, include, but are not limited to the following:

- 17 • Assisting the Debtors' management with the Chapter 11 bankruptcy process to
18 minimize costs associated with the process.
- 19 • Reviewing and analyzing the Debtors' business, operations and financial results
20 and projections, and recommending opportunities to improve performance.
- 21 • Meeting with the Debtors' Board of Directors via conference call at their
22 discretion to advise them of the status of the case and answer any questions or
23 concerns they may have had.
- 24 • Providing guidance and assisting in the assessment and development of the
25 Debtors' business plans and projections, creditors' relationship management, and
26 facilitating the Debtors' communication with parties-in-interest.
- 27 • With the assistance of ST&G, providing guidance, direction, input and reviewing
28 all requirements of Court filings and schedules including but not limited to: a) the
initial statements and schedules; b) the Debtors' 7 day packages; and c) and the
Debtors' monthly operating reports. The Debtors had so few resources that ESBA
had to fly in a consultant from outside the local region to fulfill the Debtors'
chapter 11 compliance and operational obligations.
- With the assistance of ST&G, assisting the Debtors in running an expedited sale
process in less than ninety (90) days.

- 1 • With the assistance of ST&G, managing the Debtors' bankruptcy process to
2 ensure compliance with all reporting requirements.
- 3 • Assisting the Debtors in rebuilding credibility with creditor constituencies and
4 their trade vendors and suppliers. In particular, ESBA's efforts have been focused
5 on:
 - 6 o Analyzing and reporting on the Debtors' current liquidity and short-term cash
7 flow forecasts.
 - 8 o Positioning the Debtors to take advantage of opportunities to enhance cash
9 flow and operating performance.
 - 10 o Reviewing, enhancing and streamlining purchasing, procurement and supply
11 chain systems.
- 12 • Working with the Debtors in improving their cash management procedures, and
13 providing a budget to actual reporting throughout the Chapter 11 period.
- 14 • With the assistance of ST&G, negotiating the "DIP Budget" in connection with
15 the "DIP Financing," as those terms are defined in the Court's *Final Order*
16 *(A) Authorizing Debtor to Obtain Postpetition Financing; (B) Granting*
17 *Superpriority Expense Claims and Priming Liens; and (C) Granting Other Relief*
18 *Under 11 U.S.C. §§ 105, 361, 362, 363, 364 and 507(b), F.R.B.P. 2002 and 4001;*
19 *and LBRS 2002-1 and 4001-2 [Docket No. 134] (the "Final DIP Order"), and*
20 *working to obtain additional funding for the Debtors in response to proposed DIP*
21 *Financing that would have been insufficient.*
- 22 • Working with the Debtors' counsel and the Purchaser to review and reinstate
23 critical patents and trademarks.
- 24 • Guiding and advising the Debtors through the post-Sale transitional period.
- 25 • Interacting with other professionals, attorneys, accountants, lenders and
26 constituencies; responding to inquiries and requests; and providing updates and
27 various analyses.
- 28 • Making Court appearances where required on various issues.

21 In short, ESBA has been instrumental in these cases in helping manage the Debtors'
22 operations and their bankruptcy cases leading up to the Sale of the Debtors' assets. ESBA's services
23 helped the Debtors preserve the value of their assets leading up to the Sale, and have been
24 instrumental in transitioning the Debtors' operations to the Purchaser. The tasks performed by
25 ESBA in these cases were complicated by the fact that, shortly after the Debtors filed for
26 bankruptcy, the Debtors' then-interim CEO who had managed the Debtors for the approximately
27 nine (9) months preceding the Petition Date and was the person most familiar with the Debtors
28 financials and operations, passed away unexpectedly. Accordingly, ESBA was required to

1 undertake a significant amount of investigative work to obtain a complete picture of the Debtors'
2 financial situation and operational specifics. ESBA's services have been necessary to address the
3 numerous operational, management and financial issues faced by the Debtors during their pending
4 bankruptcy proceedings. As a result, this Application must be viewed in terms of the complexity of
5 issues and disputes presented by this case, and the ongoing success of the Debtors to date, with the
6 assistance of ESBA.

7 II.

8 NARRATIVE HISTORY OF THE DEBTORS' CASES

9 A. Petition Date and Jurisdiction.

10 On July 10, 2013 (the Petition Date), the Debtors commenced the above-captioned
11 cases by filing separate voluntary petitions under chapter 11 of the Bankruptcy Code. On July 18,
12 2013, the Court entered orders authorizing the joint administration of the Debtors' respective chapter
13 11 cases. Pursuant to Bankruptcy Code sections 1107(a) and 1108, the Debtors are continuing to
14 operate their remaining business and manage their financial affairs as debtors in possession.

15 B. The Debtors' Business.

16 Prior to the sale of substantially all of their assets (the Sale), the Debtors engaged in
17 the business of industrial printing in the textile industry. The Debtors held, and had applied for, the
18 patents for a process for dying and decorating fabric, which is novel because the process does not
19 result in water pollution and significantly reduces energy use, costs and time from design to market.

20 Beginning in 2007, Colorep licensed this technology to manufacturers and resellers.
21 At the end of 2007, Colorep acquired Transprint, a privately held, employee-owned company, with
22 headquarters and manufacturing facilities in Harrisonburg, Virginia. In addition to their production
23 and manufacturing facility in Harrisonburg, Virginia, the Debtors maintained sales operations in
24 Charlotte, North Carolina and New York, New York. Prior to the Sale, the Debtors also owned
25 proprietary designs and trademarks.

26 The factual background relating to the commencement of the Debtors' chapter 11
27 cases is set forth in detail in the *Declaration of Mark A. Fox in Support of Emergency First Day*
28 *Motions* [Docket No. 13], filed on July 11, 2013.

C. Postpetition Events.

1. Postpetition Financing.

Before the Debtors filed for bankruptcy, it became clear that the Debtors could not continue to operate their business absent significant, additional capital infusions. However, the Debtors were unable to find a source of sufficient new capital on reasonable terms and conditions. Accordingly, the Debtors determined, in the sound exercise of their business judgment that the best course of action to maximize the value of their assets and the potential return to creditors was to file for chapter 11 and seek to sell the Debtors' assets through an efficient sale process. In order to complete such a process, the Debtors needed to secure funding to cover the Debtors' ongoing operational costs as well as the costs and expenses necessary to operate as a chapter 11 debtors in possession. On July 11, 2013, the Debtors filed their *Emergency Motion Of Debtors And Debtors In Possession For Interim And Final Orders (1) Authorizing Post-Petition Financing; (2) Authorizing Use Of Cash Collateral; (3) Granting Priming Liens And Superpriority Claims; (4) Providing Adequate Protection; And (5) Granting Related Relief* [Docket No. 12], seeking interim approval of the Debtors' proposed use of DIP Financing and cash collateral on an interim basis. On July 18, 2013, the Court entered an order [Docket No. 56] ("Interim DIP Order") approving the Debtors' use of DIP Financing and cash collateral on an interim basis.

Between entry of the Interim DIP Order and the hearing on final approval of the proposed DIP Financing, the Debtors, with the assistance of ESBA and ST&G, engaged in intense negotiations with the "DIP Lenders" and the "DIP Agent", as those terms are defined in the Interim DIP Order, regarding the budget that needed to be funded under the DIP Financing to allow the Debtors to engage in a meaningful auction process for their assets. The Court also required further briefing and evidence in connection with the proposed granting of a priming lien to the DIP Lenders and DIP Agent under Bankruptcy Code section 364(d). As a result of the Debtors' efforts, the DIP Lenders and the DIP Agent agreed to modify the proposed budget to provide sufficient DIP Financing for the Debtors to conduct a meaningful auction of their assets and to cover operating costs through closing of the Sale. On August 16, 2013, the Court entered its Final DIP Order.

1 **2. The Sale of Substantially All of the Debtors' Assets.**

2 As referenced above, when the Debtors filed for bankruptcy, their plan was to
3 maximize value to their stakeholders through the marketing and sale of substantially all of their
4 assets. Accordingly, shortly after the Petition Date, on July 24, 2013 the Debtors filed their *Motion*
5 *for Order: (A) Approving Sale and Bid Procedures for the Sale of Substantially All the Assets of*
6 *Debtors; (B) Scheduling an Auction and Hearing to Consider the Sale and Approve the Form and*
7 *Manner of Notice Related Thereto; (C) Establishing Procedures Relating to the Assumption and*
8 *Assignment of Certain Contracts; and (D) Granting Other Related Relief* [Docket No. 69] (the "Sale
9 Motion"). The Court scheduled a hearing for August 6, 2013 to consider the bid and auction
10 procedures set forth in the Sale Motion (the "Sale Procedures"). The Court initially denied the
11 proposed Sale Procedures, but after modifications to the procedures to remedy the Court's concerns,
12 the Court, at a hearing on August 8, 2013, approved the Debtors' Sale Procedures. The Court's
13 approval of the Sale Procedures was memorialized in an order entered August 12, 2013 [Docket No.
14 109] (the "Sale Procedures Order").

15 Under the Sale Procedures Order, the Court established a procedure whereby the
16 Debtors were to market their assets to interested buyers, and if qualified buyers made "Qualified
17 Bids" by September 18, 2013, the Debtors were to hold an auction for the sale of their assets the
18 following day. The Debtors hired Hilco IP Services LLC d/b/a Hilco Streambank ("Hilco") as an
19 investment banker to run a sale process. The Debtors, with the assistance of ESBA and ST&G,
20 compiled relevant information regarding the identity and description of the Debtors' assets into a
21 data room maintained by Hilco. Hilco conducted an extensive marketing process, but, ultimately,
22 neither Hilco nor the Debtors received any Qualified Bids for the Debtors' assets.

23 The Debtors did, however, receive an offer from Meserole, LLC ("Meserole"), the
24 holder of an approximately \$20 million claim secured by substantially all of the Debtors' assets, and
25 Fuller Smith Capital Management, LLC ("Fuller Smith," and together with Meserole, the "Buyer"),
26 as DIP Agent, to purchase through an entity known as AirDye Solutions, LLC substantially all of the
27 Debtors' assets by credit bidding, pursuant to Bankruptcy Code section 363(k), their secured claims
28 against the Debtors. The Debtors, with the assistance of ST&G and ESBA, engaged in weeks of

1 negotiations with the Purchaser with respect to the terms and conditions of the proposed sale.
2 Ultimately, the Debtors reached a deal with the Purchaser that conferred meaningful benefit on the
3 Debtors' estates, including, but not limited to: (i) the Purchaser's assumption of certain paid-time-off
4 obligations for employees terminated by the Debtors and re-hired by the Purchaser; (ii) satisfaction
5 by the Purchaser of all employee wage claims entitled to priority under Bankruptcy Code section
6 507(a)(4); (iii) payment by the Purchaser of all ordinary course postpetition operating expenses, to
7 the extent consistent with the budget approved by the Court as part of the Debtors' DIP Financing;
8 (iv) assumption of the Debtors' liability relating to unpaid prepetition payroll taxes; and
9 (v) assumption and/or payment by the Purchaser of certain administrative claims of the Debtors'
10 professionals. In addition, the Debtors negotiated a requirement under the Sale that the Purchaser
11 extend employment offers to at least seventy-seven (77) of the Debtors' approximately 100
12 employees.

13 The Debtors received no objections to the proposed Sale, and on October 4, 2013, the
14 Court entered its *Order: (A) Authorizing the Sale of Substantially all of the Debtors' Assets Free and*
15 *Clear of Liens, Claims, Encumbrances, and Other Interests, Except as Provided in the Asset*
16 *Purchase Agreement; (B) Authorizing and Approving Asset Purchase Agreement; (C) Approving the*
17 *Assumption and Assignment of Certain of the Debtors' Executory Contracts and Unexpired Leases*
18 *Related Thereto; and (D) Granting Related Relief* [Docket No. 219]. The Sale closed on October 7,
19 2013.

20 **3. Utility Objections Regarding Adequate Assurance of the Debtors' Future**
21 **Performance.**

22 On July 11, 2013, the Debtors filed *their Emergency Motion for Order: (I) Deeming*
23 *Utilities Adequately Assured of Future Performance; and (II) Establishing Procedures for*
24 *Determining Requests for Additional Assurance Pursuant to Bankruptcy Code Section 366* [Docket
25 No. 8] (the "Utilities Motion"). The Court held a hearing on the Utilities Motion on July 15, 2013,
26 and, having received no objections, entered an order on July 18, 2013 granting the relief requested
27 therein [Docket No. 54] (the "Utilities Order").
28

On July 26, 2013 and August 1, 2013, respectively, Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion") and Columbia Gas of Virginia, Inc. ("Columbia") filed objections to the amount and form of "adequate assurance of payment" afforded to them under the Utilities Order, and to a provision in the Utilities Order requiring the Debtors' utility providers to obtain relief from stay prior to terminating services. The Debtors, with the assistance of ESBA and ST&G, entered into negotiations with Dominion and Columbia regarding their objections. These efforts were partially successful, as the Debtors and Columbia stipulated as to a modified form of adequate assurance. All remaining disputes were resolved at a hearing on August 28, 2013. On September 9, 2013, the Court entered an order modifying the adequate assurance of payment to be provided to Columbia, and overruling Dominion's and Columbia's objection to the provision in the Utilities Order requiring utilities to obtain relief from stay prior to terminating services.

4. Postpetition Cash Position.

As reflected in the Debtors' Monthly Operating Reports for the month of October 2013 [Docket Nos. 255, 256], the Debtors sold substantially all of their assets, including all existing cash, to the Purchaser as part of the Sale. In addition, the Purchaser assumed certain postpetition operating expenses that have accrued prior to and subsequent to the closing of the Sale. The lack of cash in the Debtors' estates should not affect the relief requested in this Application. ESBA is not seeking additional payment from the Debtors, but is rather seeking allowance of fees and expenses for which ESBA has already been compensated. Even the Supplemental Retainer, which ESBA is entitled to under the APA for the Sale, will be funded by the Purchaser, and not the Debtors. Accordingly, the relief requested in this Application will not affect the Debtors' cash position or ability to satisfy other administrative expenses in these cases.

III.

SUMMARY OF SERVICES RENDERED & FEES INCURRED

In accordance with the UST Guidelines and Local Bankruptcy Rules, ESBA has classified its time entries in these Cases into the following categories, the details of which are set

forth in **Exhibit C** to the Katz Declaration:

Task Code	Task Description	Hours	Fees Incurred
045	Benefits	13.7	\$6,527.50
046	Board of Directors	12.8	\$6,490.00
047	Business Analysis	77.1	\$35,729.50
050	Case Administration	20.2	\$9,685.00
051	Cash Management	78.8	\$37,530.00
061	Correspondence	11.4	\$5,415.00
062	Court Hearing & Preparation	41.9	\$20,109.50
074	Preparation of Application	24.5	\$8,582.50
077	Financial Statements & Projections	101.0	\$49,255.00
078	Financing	11.7	\$6,075.50
079	Vendor	27.3	\$13,047.50
081	Tax Issues/Consulting	2.0	\$950.00
085	Systems Review	2.6	\$1,235.00
086	Insurance	24.2	\$11,447.00
090	Personnel Issues	50.6	\$23,867.00
098	Meeting – External	60.6	\$28,305.00
099	Meetings	106.6	\$49,372.75
103	Operational Budgets	5.6	\$2,660.00
104	Operations & Financial Analysis	27.5	\$13,152.50
110	Real Estate Data/Valuation	6.1	\$2,897.50
113	Report Preparation	7.6	\$3,835.00
115	Sale of Business & Related Issues	48.7	\$23,317.50
116	Schedules – Bankruptcy	127.6	\$54,935.00
122	Manufacturing	35.6	\$15,454.00
141	Personnel	5.0	\$2,180.00
148	Travel	130.4	\$0.00
TOTAL FEES DURING THE FIRST INTERIM PERIOD		1,061.1	\$432,055.25

ESBA has prepared the following exhibits in accordance with UST Guidelines:

Exhibit "A" to Katz Declaration	A copy of the ESBA Employment Motion.
Exhibit "B" to Katz Declaration	A copy of the ESBA Employment Order.
Exhibit "C" to Katz Declaration	Detailed daily time records and summary of fees incurred for each of the activity categories on a monthly basis.
Exhibit "D" to Katz Declaration	Summary of expenses, by category and month.
Exhibit "E" to Katz Declaration	Summary of the experience and qualifications of those members of ESBA who rendered services to the Debtor during the First Interim Period.

ESBA performed numerous discrete services and tasks as CRO to the Debtors. Descriptions and details of each of these services and tasks are contained in ESBA's detailed time records, which are attached to the Katz Declaration as **Exhibit C**.⁷ As can be seen from a review of these records, it would be a time-consuming task to describe in detail all of the numerous services provided to the Debtors by ESBA during the First Interim Period. What follows, therefore, is a summary of the more significant services rendered by ESBA in each of the categories.

A. Billing Summary & Description

Compensation for fees and reimbursement of expenses is sought for all reasonable and necessary activities performed in the cases during the First Interim Period. Below is a categorical listing of ESBA's representative tasks during the First Period. However, given the number and diversity of issues faced by ESBA during these bankruptcy cases, not all tasks are provided in this categorical listing. Descriptions of each task completed by ESBA's professionals are provided in Exhibit C, annexed hereto.

⁷ Some of the services rendered could reasonably be categorized in more than one of the billing categories. Consequently, different consultants sometimes billed their services on the same matter in different categories. In no event were any time entries for a single task by one consultant duplicated.

1 **1. Benefits: Task Code # 45**

2 The "Benefits" category primarily relates to services rendered in connection with
3 ESBA's guidance and advice pertaining to the Debtors' review of their benefit programs; assessing
4 and replacing the benefit programs; engaging in multiple conversations with benefit providers;
5 attending multiple meetings with management team members regarding proposed personnel changes
6 and responsibilities; answering numerous questions from employees re: insurance, back pay, and
7 transition procedures benefits, employee, and pension plans; and reviewing and discussing the
8 potential of losing all employee benefits should the Debtors shut down and liquidate.

9 ESBA spent a total of 13.7 hours rendering services in this category, for which it
10 seeks allowance in the amount of \$6,527.50.

11 **2. Board of Directors Meetings: Task Code # 46**

12 The "Board of Directors " category primarily relates to services rendered in
13 connection with ESBA working with the Debtors' Board of Directors including preparing for Board
14 of Directors calls; preparing write-ups; attending multiple meetings/calls with Board Members and
15 the Debtors' counsel to discuss operational results, potential employee reduction, the auction process,
16 closing costs and other sale items, and potential next steps in the cases.

17 ESBA spent a total of 12.8 hours rendering services in this category, for which it
18 seeks allowance in the amount of \$6,490.00.

19 **3. Business Analysis & Planning: Task Code # 47**

20 The "Business Analysis & Planning" category includes services rendered in
21 connection with attending plant operations meetings; performing extensive analysis of the plant
22 operations; conversations with the Debtors' banks regarding opening up new postpetition accounts;
23 evaluating go forward plans and opportunities; working on rolling cash flow forecasts; providing
24 additional updates and modifications to the Debtors' business model; preparing variance reports and
25 explanations; working on a production priority listing; preparing and updating Actual to Budget
26 report; reconciling disbursement listing and update budgets; reviewing and assessing New York City
27 operations; participating in multiple conference calls with the DIP Agent; participating in calls with
28 the Debtors' accountant to review outstanding tax returns; reviewing work plan status of the

Debtors' patents, including any that had lapsed; reviewing and discussing outstanding offer, counter proposal and further steps and reconciliation of current required; and reviewing account receivable schedule.

ESBA spent a total of 77.1 hours rendering services in this category, for which it seeks allowance in the amount of \$35,729.50.

4. Case Administration: Task Code # 50

The "Case Administration" category includes services rendered by ESBA in connection with organization, coordination, and compliance activities. These activities include, among other things, planning and coordinating with the Debtors; reviewing disbursement approval process; preparing outline for reports; printing guidelines and reviewing instructions for statements and schedules; assessing operations, history of funding, personnel issues and upcoming plan; discussions with representatives of Meserole and the DIP Agent regarding management reports and proposed employee reduction; engaging in internal status review and strategy meetings; providing closing schedules and support information; preparing projections of the Debtors' professional fees for the remainder of the cases.

ESBA spent a total of 20.2 hours rendering services in this category, for which it seeks allowance in the amount of \$9,685.00.

5. Cash Management: Task Code # 51

The "Cash Management" category includes some of ESBA's most critical and intensive functions, including providing appropriate detail with banking regulations; assessing account balances and descriptions; managing cash usage to avoid production delays; determining funding needs, receipts and disbursements; reviewing and approving funding requests; preparing weekly funding requests under the DIP Financing with supporting details; reviewing and monitoring cash flow; managing process of opening and closing bank accounts pre- and postpetition; reconciling DIP Financing balances; analyzing receipts and disbursements schedules; preparing and distributing weekly operating expense and funding requests, compared to the DIP Financing budget; reviewing weekly funding requests with the Director of plant operations; preparing budget to actual report and

1 compared to cash balances; monitoring cash flow, cash position and funding; and reconciling
2 account activity to statements and balances.

3 ESBA spent a total of 78.8 hours rendering services in this category, for which it
4 seeks allowance in the amount of \$37,530.00.

5 **6. Correspondence: Task Code # 61**

6 The "Correspondence" category includes services rendered by ESBA's in interacting
7 with the Debtors' employees and other stakeholders that were influential to the bankruptcy process.
8 More specifically, these activities include, among other things, written correspondence regarding
9 outstanding IRS issues; preparing status reports for the DIP Agent and the Debtors' Board of
10 Directors; correspondences re: banking, personnel, customer cash and funding issues; preparing and
11 distributing communications to management team and counsel regarding immediate cash needs and
12 ability to fund necessary expenditures out of current cash positions; engaging in an in-depth review
13 of reservation of rights letter and response; preparing letter to all vendors and customers regarding
14 the status of the Debtors' operations.

15 ESBA spent a total of 11.4 hours rendering services in this category, for which it
16 seeks compensation in the amount of \$5,415.00.

17 **7. Court Hearings and Preparation: Task Code # 62**

18 The "Court Hearing and Schedule Preparation" category includes matters pertaining
19 to preparing for and attending Court hearings. These activities include, among other things:
20 preparing for and attend the first day hearings; preparing for interim and final DIP Financing
21 hearings, and the hearings related to the Sale; telephonically attending interim DIP Financing
22 hearings; attending call regarding auction and Sale process and timeline; preparing for the Debtors'
23 section 341 meeting; and composing comments for the UST and answers to form questions.

24 ESBA spent a total of 41.9 hours rendering services in this category, for which it
25 seeks allowance in the amount of \$20,109.50.

8. Preparation of Applications: Task Code # 74

The "Fee/Employment Applications" category includes services rendered in connection with preparing and/or reviewing applications to employ ESBA, the preparation and editing of time diaries and Professional Fee Statements.

ESBA spent a total of 24.5 hours rendering services in this category, for which it seeks allowance in the amount of \$8,582.50.

9. Financial Statements & Projections: Task Code # 77

ESBA's work in the "Financial Statement & Projection" category was critical in providing budgeting, forecasting, and reporting for the Debtors. The work ESBA did in this category provided the foundation and road map throughout the pendency of the cases. ESBA analyzed cash flow forecasts, projections and assumptions; prepared rolling cash flow forecasts for court hearings; prepared budget to actual variances; with Debtors' management reviewed and agreed to proposed budget, since DIP Agent indicated that there will not likely be additional funding; reviewed with the Debtors' management results and variances; discussed opportunities to implement improvements; worked on projections including assumptions, industry background statements of cash flow and detail support schedules; worked on DIP Financing budget with the DIP Agent; ran sensitivity analyses; prepared actual operating results; reconciled all debtor in possession bank accounts; prepared rolling cash flow forecasts for Court hearings; prepared additional receipts and disbursement reports; reviewed operating expense, funding requests and compared to budget; prepared Sale and closing cost schedule for Sale motion and hearing; prepared iterations and multiple scenarios to accompany negotiations regarding the terms of the Sale; and prepared expense summary projections (multiple scenarios) for closing schedules.

ESBA spent a total of 101.0 hours rendering services in this category, for which it seeks allowance in the amount of \$49,255.00.

10. Financing: Task Code # 78

The "Financing" category includes services rendered in connection with assisting the Debtors in negotiating and obtaining financing without which the Debtors would not have been able to work through its Chapter 11 and Sale process. ESBA's services included assisting ST&G in

1 negotiating the terms of the DIP Financing; working with the Debtors' management through funding
2 delay issues; preparing a schedule of potential additional funding sources and interested investors;
3 negotiating opportunities with suppliers to preclude delays in product and supply deliveries;
4 improved and enhanced working relationships with current and new suppliers with little interruption
5 to vendors providing goods and/or services through credit; and working with Hilco through the Sale
6 process.

7 ESBA spent a total of 11.7 hours rendering services in this category, for which it
8 seeks allowance in the amount of \$6,075.50.

9 **11. Vendors: Task Code # 79**

10 The category "Vendors" is comprised of services rendered in connection with certain
11 vendor related activities arising during the Debtors' bankruptcy cases, including: multiple telephone
12 conversations with various vendors regarding vendor status, outstanding bills, differences between
13 pre- and postpetition debt, time of payment and the case status; analyzed outstanding vendor
14 invoices, vendor status, payments schedules and timing for funding analysis; reviewed and approved
15 payments for weekly funding; multiple meetings with vendors to address their concerns and
16 outstanding balances and the Debtors' commitment to produce and operational estimates and dates;
17 worked with trade vendors to keep product and services flowing; and negotiated agreements with the
18 landlord for the Debtors' New York office.

19 ESBA spent a total of 27.3 hours rendering services in this category, for which it
20 seeks allowance in the amount of \$13,047.50.

21 **12. Tax Issues/Consulting: Task Code # 81**

22 The category "Tax/Issue Consulting" is comprised of services ESBA provided
23 relating to preparing tax returns and tax reports including: discussions with payroll and tax service
24 provider; reinstituted tax paying service; prepared and analyzed payroll tax reports; verified that the
25 payroll taxes postpetition were being funded; and reviewed, discussed and planned preparation of
26 2012 tax returns.

27 ESBA spent a total of 2.0 hours rendering services in this category, for which it seeks
28 allowance in the amount of \$950.00.

1 **13. Systems Review: Task Code # 85**

2 "Systems review" category consists of services ESBA provided in evaluating and
3 assessing the Debtors' systems including meeting with K. Wilkerson and E. Smith re: existing
4 systems and estimated costs for necessary upgrades; communicated with representatives of the
5 Purchaser and the information technologies group regarding new email addresses; and evaluated
6 system update.

7 ESBA spent a total of 2.6 hours rendering services in this category, for which it seeks
8 allowance in the amount of \$1,235.00.

9 **14. Insurance: Task Code # 86**

10 The category "Insurance" comprised of services rendered in connection with Debtors
11 to obtain and maintain insurance. ESBA negotiated continuing coverage for both employees and the
12 Debtors, without both, value could have been lost. ESBA's services included: researching payment
13 application issue with the dental insurance; having conversations with the representatives of
14 Rutherford Insurance regarding continuation of coverage; negotiating with Rutherford to ensure
15 insurance policies were in place and the Debtors and their assets were covered during these chapter
16 11 cases; negotiating coverage for a worker's compensation policy and disability policies;
17 researching and reviewing quotes for potential alternatives to the existing health care plans; and
18 compiling requirements and needed information for the Purchaser to obtain new insurance policies.

19 ESBA spent a total of 24.2 hours rendering services in this category, for which it
20 seeks allowance in the amount of \$11,447.00.

21 **15. Personnel Issues/Personnel: Task Code # 90 & 141**

22 ESBA spent a significant amount of time throughout the case as the CRO managing
23 and communicating with the Debtors' personnel, participating in multi-office meetings, and keeping
24 personnel apprised of case developments. The "Personnel Issues/Personnel category" includes
25 ESBA's services in performing these tasks. ESBA's services included: reviewing staffing levels;
26 analyzing opportunities for cost and personnel reductions; reviewing opportunities to improve
27 employee performance; reviewing with employees their concerns with the Debtors' bankruptcy
28 filings; preparing and distributing a status memo and action; participating in multiple meetings

1 regarding various issues including back pay and insurance coverage and commissions owed, etc.;
2 preparing a schedule for proposed personnel changes and cash requirements for layoffs by the
3 Purchaser, priority payroll claims, and estimated expenses and cash requirements related to the
4 personnel layoffs; analyzing proposed employee reduction; updating and completing termination and
5 reduction to part-time employee plan for certain employees; delivering plan to the Board of
6 Directors for their review and approval; participating in a conference call with Meserole and the DIP
7 Agent to review payroll, roles, and responsibility of each employee.; and reviewing employees'
8 expertise, skills and their strengths and weaknesses, and addressed concerns regarding transition and
9 personnel changes.

10 ESBA spent a total of 55.6 hours rendering services in this category, for which it
11 seeks allowance in the amount of \$26,047.00.

12 **16. Meetings Internal & External: Task Code # 98 & 99**

13 The "Meetings Internal & External" category relates to communications with the
14 Debtors' individual creditors and stakeholders. Included within this category is ESBA's attendance
15 at the Debtors' meeting with creditors under Bankruptcy Code section 341(a) and calls with the US
16 Trustees office to review case status. Also, ESBA's time in this category involved discussions with
17 certain of the Debtors' creditors, lenders, personnel, Board Members, attorneys, investment bankers,
18 employees, and other members of the team to discuss ongoing strategies, operational and financial
19 issues including but not limited to schedules, operating performance, plant maintenance, production
20 planning; sales issues, personnel issues and assessments, projections, staffing levels, budget, budget
21 to actual comparison, weekly cash flow projections, collections, disbursements, business plan, DIP
22 Financing funding, Sale issues, transition planning (with Purchaser) and due diligence items. This
23 category also includes time related to ESBA's discussions with potential buyers and bidders for the
24 Debtors' assets and preparing for Court hearings.

25 ESBA spent a total of 167.2 hours rendering services in this category, for which it
26 seeks allowance in the amount of \$77,677.75.

17. Operational Budgets: Task Code # 103

The "Operating Budget" category primarily relates to services rendered in connection with ESBA's guidance in reviewing and analyzing wire transfers, updating certain budgets, planning next steps in these cases; and accumulating data and information for reporting.

ESBA spent a total of 5.6 hours rendering services in this category, for which it seeks allowance in the amount of \$2,660.00.

18. Operations & Financial Analysis: Task Code # 104

This "Operations & Financial Analysis" category relates to services rendered in connection with ESBA's continuing analysis throughout the pendency of these cases in assessing operational and financial variances compared to budget with explanations; conducting the Debtors' daily operations as a chapter 11 debtor; reconciling payroll statements and expenses; completing cash flow models; creating operational schedules including efficiency analysis and profit variance; and reviewing plant production sales and operations, including usage of raw materials, shipping costs, sales and future steps.

ESBA spent a total of 27.5 hours rendering services in this category, for which it seeks allowance in the amount of \$13,152.50.

19. Real Estate Data/Valuation: Task Code # 110

The category "Real Estate/Data Valuation" includes services rendered in assisting in advising the Debtors with respect to accepting or rejecting leases of the Debtors' multiple locations. ESBA prepared a report and analysis regarding the transfer of operations at the New York office to the Purchaser, and negotiated an agreement with the New York landlord to avoid default and discussed possibility of a longer term deal.

ESBA spent a total of 6.1 hours rendering services in this category, for which it seeks allowance in the amount of \$2,897.50.

20. Report Preparation: Task Code # 113

The "Report Preparation" category included ESBA's work in preparing write up and status reports on the progress of the cases, and reviewed the same with stakeholders; and preparing

1 management reports including periodic status reports, outlining cash flow performance, funding, and
2 sales, future outlook and next steps.

3 ESBA spent a total of 7.6 hours rendering services in this category, for which it seeks
4 allowance in the amount of \$3,835.00.

5 **21. Sale of Business and Related Issues: Task Code # 115**

6 The category "Sale of Business and Related issues" includes services rendered in
7 advising the Debtor with respect to seeking approval of and implementing the Sale of substantially
8 all of the Debtors' assets. ESBA assisted the Debtor in identifying and hiring Hilco as their
9 investment banker. With the assistance of ST&G, ESBA engaged in communications and
10 negotiations regarding the terms of the Sale. Without ESBA's efforts, the sale process likely would
11 have been significantly more expensive. As part of this category ESBA examined outstanding
12 intellectual property (IP) issues and funding to retain IP counsel to preserve asset value; with the
13 assistance of ST&G, extensively negotiated the terms of the APA and supporting schedules; worked
14 on priority wage claim analysis; analyzed expenditures schedule through the closing of the Sale;
15 reviewed the Purchaser's credit bid notice, credit bid purchase, and assisted in negotiating the
16 proposed Sale order; participated in multiple communications regarding outstanding transition
17 issues; finalized my declaration in support of the Sale of the Debtors' assets; and participated in
18 bankruptcy court hearings and status calls to approve the Sale.

19 ESBA spent a total of 48.7 hours rendering services in this category, for which it
20 seeks allowance in the amount of \$23,317.50.

21 **22. Bankruptcy Schedules: Task Code # 116**

22 The category "Bankruptcy Schedules " is comprised of services ESBA rendered in
23 ensuring that the Debtors complied with the requirements of the Bankruptcy Code, the Court and the
24 UST, including preparing initial statements and schedules, monthly operating reports and 7 day court
25 reporting packages and related detail schedules for the Debtors. At times, ESBA was forced to
26 double certain amounts of work and resources needed to meet appropriate deadlines. In completing
27 the tasks in this category, ESBA engaged in multiple meeting with the Debtors' Controller and senior
28 accountant to gather, review, develop and assimilate required data for completion of the Statements

1 and schedules accounting department was thinly staffed so it required additional ESBA personnel
2 with that experience and capabilities.

3 ESBA spent a total of 127.6 hours rendering services in this category, for which it
4 seeks allowance in the amount of \$54,935.00.

5 **23. Manufacturing: Task Code # 122**

6 The "Manufacturing" category highlights the work ESBA did in working with the
7 Debtors' manufacturing operations, both on a day to day and broader level. ESBA participated in
8 daily production meetings, worked to determine opportunities to increase production; developed a
9 comprehensive list of needed plant production items, related maintenance and plant upgrades;
10 evaluated and assessed production performance and considerations while in Chapter 11; assessed
11 production efficiencies and inefficiencies; outlined opportunities to increase performance; analyzed
12 and reviewed Phase I report for environmental compliance; and worked with manufacturing
13 personnel to order materials and supplies; negotiated with the DIP Agent for funding needs to keep
14 the plant operating.

15 ESBA spent a total of 35.6 hours rendering services in this category, for which it
16 seeks allowance in the amount of \$15,454.00.

17 **24. Travel Time: Task Code # 124**

18 While billing travel time is permissible, as an accommodation to the Debtors and their
19 estates, ESBA did not bill its travel time.

20 ESBA spent a total of 130.4 hours rendering services in this category, for which it
21 seeks compensation in the amount of \$0.00.

22 **IV.**

23 **SUMMARY OF COSTS AND EXPENSES**

24 The Local Bankruptcy Rules require that an application for reimbursement of
25 expenses include a summary listing of all the expenses incurred. The total cost of expenses incurred
26 during the First Interim Period for which ESBA seeks interim allowance is \$20,793.29. All of the
27 expenses are summarized in **Exhibit D** to the Katz Declaration and listed below:
28

Expenses Incurred by ESBA during the First Interim Period					
Category/Period	July	August	September	October	Expense Totals by Category
Copies	\$43.25	\$74.75	\$0.00	\$0.00	\$118.00
Meals/Lodging	\$1,499.54	\$2,577.37	\$0.00	\$0.00	\$4,076.91
Travel	\$4,019.58	\$2,851.01	\$2,151.35	\$1,540.54	\$10,562.48
Airfare	\$3,434.50	\$2,021.40	\$0.00	\$571.50	\$6,027.40
Postage	\$0.00	\$8.50	\$0.00	\$0.00	\$8.50
Expense Totals	\$8,996.87	\$7,533.03	\$2,151.35	\$2,112.04	\$20,793.29

A. Expense Summary

During the First Interim 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 ESBA's services for the Debtors.

V.

REQUEST FOR INTERIM COMPENSATION AND ALLOWANCE

Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 of the Bankruptcy Code to govern the Court's award of such compensation. Section 330 provides that a court may award a professional employed under Bankruptcy Code section 327 "reasonable compensation for actual necessary services rendered . . . and reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1).

Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded, the court should consider the nature, extent, and the value of such services, taking into account all relevant factors, including --

(A) The time spent on such services;

(B) The rates charged for such services;

(C) Whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;

(D) Whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and

(E) Whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

Professional services rendered by ESBA during the First Interim Period have been itemized by professional, noting each professional's rate, number of hours, and total compensation requested. See Katz Declaration, **Exhibit C**. Each duty and task performed by ESBA has been performed by the professional most qualified to render such services at his or her ordinary hourly rate in the most efficient manner as required by the circumstances of these cases. ESBA reasonably expended this time in order to adequately represent and protect the interests of the Debtors. There was no duplication of effort.

A. Reasonableness Of Compensation Requested.

ESBA requests interim allowance for the fees of its consultants at their respective customary hourly rates. The hourly rate of each professional who rendered services in connection with the Debtors' during this First Interim Period is set forth in **Exhibit C** to the Katz Declaration. Courts have held that the prevailing market rate in the community is indicative of a reasonable hourly rate. *See, e.g., In re Auto Parts Club, Inc.*, 224 B.R. 445, 449 (Bankr. S.D. Cal. 1998). ESBA regularly conducts a survey of hourly rates charged by firms that perform similar work in this district and in other districts. Based on the results of its most recent survey, ESBA believes that the hourly rates charged for consultants and professionals are reasonable and competitive with the hourly rates charged by other firms of comparable size and quality with similar expertise and levels of experience as ESBA.

In addition, the principal consultants who rendered services on the Debtors' behalf are each highly educated, skilled, and accomplished bankruptcy professionals, as demonstrated by the qualification summaries attached as **Exhibit E** to the Katz Declaration.

1 ESBA submits that, based upon the factors considered pursuant to Bankruptcy Code
2 sections 330 and 331, the quality of the services provided and the results that have been achieved to
3 date more than justify allowance of the amounts requested. ESBA, with the assistance of ST&G and
4 the Debtors' other professionals, has led the Debtors through an expedited section 363 sale process
5 that preserved the Debtors' going concern value prior to closing of the Sale, resulted in the
6 Purchaser's assumption of certain priority claims that might otherwise have been left unsatisfied in
7 the absence of the Debtors' efforts in these cases, and preserved the jobs of over seventy (70)
8 employees.

9 **B. Compliance With Guidelines.**

10 ESBA believes that this Application substantially complies with this district's Local
11 Bankruptcy Rules and UST Guidelines. To the extent there has not been material compliance with
12 any particular rule or guideline, ESBA respectfully requests a waiver or an opportunity to cure.
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24 *[Remainder of page intentionally left blank]*
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VI.

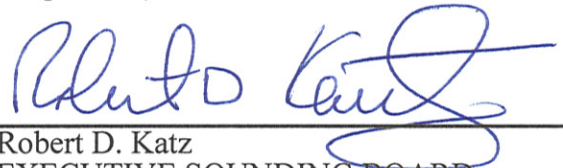
CONCLUSION

ESBA believes that the services rendered for which interim allowance is sought in this Application have been beneficial to the Debtors' estates and all interested parties, that the costs incurred have been necessary and proper, and that the sums requested for the services rendered and the costs incurred are fair and reasonable.

WHEREFORE, based upon all of the foregoing, ESBA respectfully requests that this Court enter an order granting ESBA an interim allowance in the amount \$432,055.25 for professional services rendered to and on behalf of the Debtors during the First Interim Period, plus reimbursement of its actual, reasonable, and necessary expenses incurred in connection with its services during the First Interim Period in the sum of \$20,793.29, for a total first interim fee award of \$452,848.54. ESBA further requests that, upon receipt of any Supplemental Retainer, it be permitted to draw down such funds for any portion of fees and expenses allowed pursuant to this Application for which ESBA has not been compensated, without further notice to this Court or interested parties.

Date: January 9, 2014

Respectfully submitted,



Robert D. Katz
EXECUTIVE SOUNDING BOARD
ASSOCIATES LLC

CRO
for Debtors and Debtors in Possession

DECLARATION OF ROBERT D. KATZ

I, Robert D. Katz, declare as follows:

1. I am over 18 years of age and have personal knowledge of the matters set forth herein. If called upon, I would testify competently with respect to these matters.

2. I am a member of Executive Sounding Board Associates, LLC, formerly Executive Sounding Board Associates, Inc. (together, "ESBA"), Chief Restructuring Officer for the Debtors.¹ I am the member of ESBA with primary responsibility for carrying out ESBA's duties and obligations as CRO for the Debtors, and I rendered or supervised all of ESBA's services rendered to the Debtors during the First Interim Period.

3. Attached hereto are true and correct copies of the following documents:

a. Exhibit "A" – a copy of the *Debtors' Notice of Motion and Motion Pursuant to Bankruptcy Code Sections 105(a) and 363 for Entry of an Order Authorizing the Employment of Executive Sounding Board Associates Inc. to Provide Crisis Management Services and to Provide Robert D. Katz to Serve as Chief Restructuring Officer from the Petition Date* [Docket No. 80];

b. Exhibit "B" – a copy of the Court's *Order Authorizing the Employment of Executive Sounding Board Associates Inc. to Serve as Chief Restructuring Officer Pursuant to Bankruptcy Code Section 327* [Docket No. 245];

c. Exhibit "C" – schedules, by month, which describe in detail all time spent by ESBA in rendering services to the Debtors during the First Interim Period, including time spent and rate applied for each service or task performed;

d. Exhibit "D" – summary of expenses, by category and month;

e. Exhibit "E" – a summary of the experience and qualifications of those members of ESBA who rendered services to the Debtors during the First Interim Period.

4. I have reviewed the requirements of Local Bankruptcy Rule 2016-1. It is my belief that the Application complies with this rule.

¹ Capitalized terms not otherwise defined herein have the same meaning as in the Application.


ROBERT D. KATZ

EXHIBIT "A"

GARY E. KLAUSNER (STATE BAR NO. 69077)
MARGRETA M. MORGULAS (STATE BAR NO. 224950), and
KIZZY L. JARASHOW (*Admitted Pro Hac Vice*), Members Of
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[Proposed] Reorganization Counsel
for Debtors and Debtors in Possession

Debtors' Mailing Address:
Colorep, Inc. and Transprint USA, Inc.
1000 Pleasant Valley Road
Harrisonburg, VA 22801-9790
Attn: Robert Katz, [Proposed] CRO

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

In re:) Case No. 13-bk-27689-WB
)
COLOREP, INC.,) Chapter 11
a California corporation, *et al.*,)
) (Jointly Administered)

Debtors.)

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

**DEBTORS' NOTICE OF MOTION AND
MOTION PURSUANT TO BANKRUPTCY
CODE SECTIONS 105(a) AND 363 FOR
ENTRY OF AN ORDER AUTHORIZING
THE EMPLOYMENT OF EXECUTIVE
SOUNDING BOARD ASSOCIATES INC.
TO PROVIDE CRISIS MANAGEMENT
SERVICES AND TO PROVIDE ROBERT D.
KATZ TO SERVE AS CHIEF
RESTRUCTURING OFFICER FROM THE
PETITION DATE; MEMORANDUM OF
POINTS AND AUTHORITIES IN SUPPORT
THEREOF; DECLARATION OF ROBERT
D. KATZ. CTP IN SUPPORT THEREOF**

Hearing

*[No Hearing Required unless Requested
under Local Bankruptcy Rule 9013-1(o)]*

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14	28 U.S.C. § 1334.....	3
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16	28 U.S.C. § 1409.....	3

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1 **TO THE HONORABLE JULIA W. BRAND, THE OFFICE OF THE UNITED STATES**
2 **TRUSTEE, THE DEBTORS' SECURED LENDERS AND OTHER PARTIES ASSERTING**
3 **SECURED CLAIMS, THE TWENTY LARGEST UNSECURED CREDITORS OF THE**
4 **DEBTORS, AND OTHER PARTIES IN INTEREST:**

5 **PLEASE TAKE NOTICE** that the above captioned debtors and debtors in
6 possession (the "Debtors") hereby move (by this "Motion") the Court, pursuant to sections 105(a)
7 and 363 of title 11 of the United States Code (the "Bankruptcy Code"), for entry of an order,
8 effective from the Petition Dates (as defined below), authorizing and approving the agreement
9 ("ESBA Agreement") with Executive Sounding Board Associates, Inc. ("ESBA") to provide crisis
10 management services and also to provide Robert D. Katz to serve as the Debtors' Chief
11 Restructuring Officer ("CRO"), as well as any required additional temporary staff (the "Temporary
12 Staff"), including, but not limited to, Mr. Paul Newton; and (b) the appointment of Mr. Katz as CRO.
13 In support of the Motion, the Debtors respectfully represent as follows:

14 **SUMMARY OF RELIEF REQUESTED**

15 By this Motion, the Debtors seek authorization and approval of the ESBA Agreement,
16 as of the Petition Date, pursuant to which ESBA will provide crisis management services to the
17 Debtors, provide the CRO and any required additional Temporary Staff, including Mr. Newton,
18 under sections 105(a) and 363 of the Bankruptcy Code and on the terms set forth herein and in the
19 ESBA Agreement, a copy of which is attached to the "Declaration of Robert D. Katz In Support of
20 Retention Application" (the "Katz Declaration") as Exhibit "1".

21 This Motion is based on the Memorandum of Points and Authorities below, the
22 evidence contained in the Katz Declaration, the concurrently filed "Appendix of Orders Cited in
23 Debtors' Motion Pursuant to Section 363 for Entry of an Order Authorizing the Employment of
24 Executive Sounding Board Associates As Chief Restructuring Officer to Provide Management
25 Services to the Debtors", the record in these cases, and the arguments, evidence and representations
26 that may be presented at or prior to the hearing on this Motion.

27 **PLEASE TAKE NOTICE that Local Bankruptcy Rule 9013-1(o)(1) requires**
28 **that any response and request for hearing with respect to this Motion must be filed with the**

1 Court and served on the Debtor, EBSA and the United States Trustee within 14 days after
2 the date of service of this Notice of Motion.

3 WHEREFORE, based on the Memorandum of Points and Authorities set forth
4 below and the supporting Katz Declaration, the Debtors respectfully request entry of an order
5 authorizing and approving the ESBA Agreement to provide crisis management services and CRO, as
6 well as any Temporary Staff, including Mr. Newton, necessary to perform the requested services to
7 the Debtors.

8
9 Dated: July 30, 2013

/s/ Margreta M. Morgulas

GARY E. KLAUSNER
MARGRETA M. MORGULAS AND
KIZZY L. JARASHOW, Members of
STUTMAN, TREISTER & GLATT
PROFESSIONAL CORPORATION
[Proposed] Reorganization Counsel
for Debtors and Debtors in Possession

MEMORANDUM OF POINTS AND AUTHORITIES

I.

BACKGROUND

A. Petition Date and Jurisdiction.

On July 10, 2013 (the "Petition Dates"), the Debtors commenced the above-captioned chapter 11 cases ("Cases") by filing voluntary petitions under chapter 11 of the Bankruptcy Code.

Pursuant to Bankruptcy Code sections 1107(a) and 1108, the Debtors are continuing to operate their business and manage their financial affairs as debtors in possession.

No trustee, examiner, or committees have been appointed in these Cases.

This Court has jurisdiction over these chapter 11 cases and this application pursuant to 28 U.S.C. §§ 1334 and 157(b), and venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

B. General Background.

Originally founded as a technology development company in 1989, the company that later became known as Colorep shifted its focus in 2003 to industrial printing applications. By 2005 Colorep had advanced its textile technology and had invented a patented process for dyeing and decorating fabric known as AirDye®, which is widely regarded as revolutionary because it does not result in water pollution and significantly reduces energy use, costs and time from design to market.

In 2007, Colorep began licensing AirDye® technology to manufacturers and resellers in the home interior, hospitality and apparel industries, which licensing continues to be very profitable for Colorep.

Due to the success of the AirDye® technology, in September 2009, Colorep began doing business as "AirDye Solutions."

At the end of 2007, Colorep acquired Transprint, a privately held, employee-owned company, with headquarters and manufacturing facilities in Harrisonburg, Virginia. Transprint, a leading supplier of transfer-printing paper was a strategic and potentially lucrative acquisition for

Colorep as it gave Colorep access to manufacturing capabilities, a global customer base, and a design library exceeding 15,000 unique designs.

Transprint is the wholly-owned subsidiary of Colorep. Colorep is owned by numerous shareholders, with interests in 1 or more of the 5 series of preferred stock (Series A-E) and/or in Colorep's common stock.

The Debtors share common management, jointly own most assets and are co-obligors or obligor/guarantor on most of the Debtors' collective obligations.

C. Events Leading to Chapter 11.

In 2011, the Debtors began experiencing significant cash flow constraints, which rendered the Debtors unable to pay their ordinary course operating expenses, pay overhead, acquire necessary raw materials to meet customer demands and purchase parts and supplies required for the maintenance of their equipment and manufacturing and production facility in Virginia. As a result, the quality and availability of the Debtors' product began to decline and their key vendor and customer relationships suffered.

In or around June 2011, the Debtors entered into that certain Loan and Security Agreement (as amended, supplemented and modified, the "Prepetition Loan Agreement") with Meserole, LLC ("Prepetition Lender" or "Meserole"). Pursuant to the Prepetition Loan Agreement, the Debtors had the ability to access up to \$25 million on the terms and conditions set forth in the Prepetition Loan Agreement ("Prepetition Loan"). In exchange, the Debtors granted Meserole a first priority secured lien on virtually all of their tangible and intangible assets.

Unfortunately, the Prepetition Loan did not result in the stabilization of the Debtors' operations as had been hoped. Accordingly, throughout 2012, the Debtors continued to experience cash shortages and, therefore, were unable to purchase necessary raw materials and timely produce ordered product. Further, the Debtors were unable to sustain the quality of the product they did produce as they lacked the capital necessary to improve or even perform necessary service and repairs to the equipment utilized in their production process. The Debtors' inability to timely meet demand and resolve the increasing quality control issues resulted in material cancellations and harm to valuable customer relationships.

1 The Debtors' working capital constraints also resulted in their inability to meet their
2 obligations to their employees in a timely and consistent manner. This resulted in significant morale
3 issues and ultimately in the loss of many key employees in 2012, which further diminished their
4 capacity to fulfill customer orders and meet obligations to vendors.

5 By the end of 2012, the situation had worsened and the Debtors went through a
6 number of "dark" periods during which time production halted completely and employees went
7 unpaid.

8 In March 2013, the Debtors, with the consent of their Prepetition Lender, hired Mark
9 A. Fox of The Fox Group as the Chief Restructuring Officer. Mr. Fox will now assume a new role
10 in the operation of the Debtors' businesses, and ESBA will take the lead with respect to the Debtors'
11 day-to-day operations as well as the sale and restructuring efforts.

12 From March through June 2013, the Debtors worked to adjust staffing to appropriate
13 levels, minimize and eliminate expenditures that did not directly support the Debtors' production and
14 research and development operations. Further, the Debtors focused on rebuilding the most valuable
15 customer and vendor relationships and on minimizing the Debtors' exposure with respect to those
16 relationships that had historically not been profitable. The Debtors have also focused on improving
17 inventory analysis and control with an aim to improving the Debtors' ability to timely meet customer
18 orders. Although significant cash shortages did not permit extensive business development efforts,
19 to the extent feasible, the Debtors also worked to expand the Debtors' licensing activities to new,
20 active markets around the globe.

21 **D. Prepetition Loan Agreement with Meserole.**

22 The Debtors' primary assets are its intellectual property rights and interests, including
23 patents, pending patent applications, trademarks, and copyrights, its manufacturing and operational
24 facility in Harrisonburg, Virginia, its furniture, fixtures and equipment, accounts receivable,
25 inventory, and its design studio and customer files in Charlotte, North Carolina and New York, New
26 York.

27 As previously indicated, the Debtors' primary secured lender is Meserole, which, as
28 of the Petition Date, was owed approximately \$17 million, exclusive of interest, fees, costs and

1 expenses. Meserole asserts a first priority secured lien on all or substantially all of the Debtors'
2 assets. Several other parties may assert liens on the Debtors' assets, including, significantly, taxing
3 authorities, judgment lien creditors, and subordinated debt holders.

4 **E. Postpetition Financing And Use Of Cash Collateral.**

5 Despite the significant operational improvements made since March 2013, by June
6 2013, it became clear that the Debtors could not continue to operate absent significant, additional
7 capital infusions. However, the Debtors were unable to find a source of sufficient new capital on
8 reasonable terms and conditions. Accordingly, the Debtors determined, in the sound exercise of
9 their business judgment that the best course of action to maximize the value of their assets and the
10 potential return to creditors was to file for chapter 11 and seek to sell the Debtors' assets through an
11 efficient sale process.

12 On July 11, 2013, the Debtors filed their "Emergency Motion Of Debtors And
13 Debtors In Possession For Interim And Final Orders (1) Authorizing Post-Petition Financing;
14 (2) Authorizing Use Of Cash Collateral; (3) Granting Security Interests And Superpriority Claims;
15 (4) Providing Adequate Protection; And (5) Granting Related Relief" [Docket No. 12] (the "DIP
16 Financing Motion").

17 On July 17, 2013, the Court entered an interim order ("Interim DIP Order") approving
18 the use of the DIP Financing and Cash Collateral on the terms and conditions outlined therein and
19 pending a final hearing on the relief requested in the DIP Financing Motion, including, relevant to
20 the instant Motion, the payment of the postpetition retainer to ESBA discussed more fully below.

21 **II.**

22 **RELIEF REQUESTED**

23 By this Motion, the Debtors seek entry of an order authorizing and approving the
24 ESBA Agreement, pursuant to which the Debtors will retain ESBA to provide crisis management
25 services and also appoint Mr. Katz to serve as CRO, along with any Temporary Staff, including but
26 not limited to Mr. Newton, in order to perform the services required under the ESBA Agreement and
27 the Motion, all pursuant to sections 105(a) and 363 of the Bankruptcy Code.
28

1 The Debtors have agreed to provide a postpetition retainer to ESBA in the amount of
2 \$ 85,000 (the "Proposed Postpetition Retainer") to be funded from the proceeds of the DIP Financing
3 Facility and/or Cash Collateral, as provided for in the Interim DIP Order and the budget incorporated
4 therein ("Budget").

5 The Proposed Postpetition Retainer shall be used to pay the fees and expenses
6 incurred by ESBA during these Cases. This Motion and ESBA's retention by the Debtors is
7 conditioned upon the approval of the DIP Financing, use of Cash Collateral and the related Budget
8 as well as the payment of the \$85,000 Proposed Postpetition Retainer provided for thereunder and in
9 the Interim Order. Accordingly, ESBA shall have no obligations to represent the Debtors unless the
10 Proposed Postpetition Retainer is promptly funded in the manner provided herein.

11 **A. Qualifications of ESBA.**

12 As set forth in the ESBA Agreement and the Katz Declaration, ESBA is a firm of
13 seasoned professionals leading a coordinated effort for business recovery and improvement. Over
14 35 years and more than a thousand cases, their professionals have honed the skills needed to quickly
15 diagnose problems, stabilize situations, determine the best courses of action, and develop a long term
16 plan. With an average of 30 years business experience, their consultants have a diverse array of
17 first-hand experience and hold a wide range of credentials

18 Mr. Katz has led companies through crises and turnarounds with the vision and
19 insight earned from more than 25 years on the front lines. In many instances, Mr. Katz has acted as
20 Interim President, Chief Financial Officer, Chief Operating Officer, Chief Restructuring Officer or
21 Treasurer, helping companies improve operating performance and generate additional cash flow.

22 As a turnaround consultant, he has functioned in senior leadership positions in a
23 number of industries including manufacturing, printing, communications, transportation,
24 distribution, and healthcare. The work in these instances was strategic in evaluating viable options
25 for a debtor's future including steps to strengthen existing operations as well as pursuing sale of the
26 company or parts thereof, as well as the potential for additional acquisitions to create a stronger
27 competitor in the marketplace as part of a plan of reorganization.

B. Proposed Scope of Services.¹

If the Proposed Postpetition Retainer to ESBA is promptly paid, ESBA has agreed to make Mr. Katz available to serve as the Debtors' CRO and to make available as necessary the Temporary Staff, including but not limited to Mr. Newton, to perform other services required of ESBA, as set forth in the ESBA Agreement and this Motion.

Mr. Katz and ESBA personnel will focus primarily on the Chapter 11 process and providing leadership for the Debtors, as well as providing advice and guidance to the Debtors' Boards of Directors ("Boards") in the development of the Debtors' restructuring options and determination of the Debtors' cash requirements related thereto. It is expressly contemplated that ESBA will manage the day-to-day operations and assume the role of CRO and any other senior position as may be deemed appropriate (*e.g.*, COO, CEO, CFO). However, ESBA will not be granted authority to exercise any powers or authority as a result of the approval of the ESBA Agreement that are reserved to the Boards under applicable state law and the governing agreements of each Debtor. See Katz Declaration, Exhibit 1 at 3 (providing "ESBA's responsibilities and authority as CRO do not include any responsibilities, powers and authority of the Debtors Board of Directors, all of which shall remain with the Board.")

As detailed in the ESBA Agreement, ESBA's scope of services shall include the following:²

- Act as the Chief Restructuring Officer (CRO) and as such ESBA will be appointed CRO and assume certain duties and responsibilities of the day to day management and operation of the Debtors' businesses, during their Chapter 11 cases, including responsibility for the Debtors' compliance with UST requirements and regulations, with the understanding and assuming that there is wherewithal to provide the information timely and materially accurately, and assisting the Debtors in managing a sale process under Bankruptcy Code section 363 and/or

¹ To the extent there are any inconsistencies between the ESBA Agreement and the Order entered by the Court approving the relief requested by this Motion, the Order shall control. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the ESBA Agreement. Additionally, the Debtors will apply to the Court for appropriate modification of any Order entered hereon in the event that the Debtors request ESBA to furnish additional officers or the scope of the engagement is materially modified.

² See Katz Declaration, Exhibit 1 at pg. 2.

- 1 evaluating and developing alternative reorganization strategies; The CRO may appoint
2 subordinate officers of the Company; provided, however, ESBA shall use commercially
3 reasonable efforts to manage the Debtors in the exercise of “apparent authority” by any
4 officer, employee or consultant (interim or otherwise) which is inconsistent with their actual
5 authority;
- 6 • Working to improve the manufacturing process; enhancing throughput; material utilization;
7 reducing the cost per unit and advising on the most effective way to position the operations
8 while considering other stake holder concerns and maintaining focus on the overall picture
9 and the accompanying details;
 - 10 • Minimize the day to day interruptions and involvement of related stakeholders. Freeing up
11 Company management from internal time consuming matters, to focus on business growth;
 - 12 • Prepare and develop a rolling cash flow forecast to manage the Company’s cash position and
13 to maximize the value from each disbursement. It will enable the Company to better report
14 to remote stakeholders;
 - 15 • Prepare and develop if requested a business plan, including balance sheet, income statement,
16 cash flow statements and support schedules and assumptions;
 - 17 • Work with Company personnel to provide monthly financial statements; close the
18 books/accounting records and report variances to budget;
 - 19 • Prepare a market overview if requested; assess the Company’s competitive position,
20 customer base and sales performance and trends. Recommend opportunities to improve and
21 increase sales;
 - 22 • Guide the Company through the proposed Chapter 11/Section 363 sale process. Prepare
23 statements and schedules as needed and as requested;
 - 24 • Guide the company through the transition process;
 - 25 • Testify in Bankruptcy Court and participate in hearings as requested;
 - 26 • Manage the work flow, work product, court deadlines and interaction with others court
27 related professionals and personnel including but not limited to the US trustee; and
 - 28 • Other projects as requested by the Debtors' Boards of Directors.

1 With respect to the efforts outlined above, Mr. Katz will seek to interface and report
2 in a timely manner to the Boards regarding any decisions to be considered by the Boards, furnish to
3 the extent possibly financial or other information requested by or on behalf of the Boards, and attend
4 Board meetings and report progress on restructuring initiatives and actions instructed by the Boards.
5 Additionally, ESBA will interact with the other professionals retained by the Debtors to ensure that
6 work is performed efficiently and without duplication of effort.

7 **C. Compensation of ESBA.**

8 As set forth in the ESBA Agreement, ESBA will be compensated on an hourly basis
9 for fees incurred in rendering services to the Debtors, and reimbursed for actual and necessary
10 expenses. Specifically, ESBA will be compensated for its services on a time and charges basis at its
11 standard billing rates in effect at the time services are rendered.

- 12 • The hourly billing rate for Mr. Katz is \$525 and the hourly billing rate for Mr. Newton will
13 be \$395, which amounts represent reductions of their normal hourly rates and in
14 consideration of this engagement. In the unlikely event that Mr. Newton works more than 40
15 hours per week, ESBA has agreed to cap Mr. Newton's fees at \$15,000 per week. As an
16 alternative and at ESBA's sole discretion, ESBA would cap Mr. Newton's fees at \$12,500
17 per week with a \$200,000 "success fee" to be paid by Meserole upon completion of a
18 reorganization under Chapter 11 of the Bankruptcy Code or a Section 363 sale. If the
19 election is made, the ESBA Agreement provides that the terms and conditions of the success
20 fee will be formalized in a written Addendum to the ESBA Agreement.
- 21 • To the extent they are not performing other billable work while traveling, travel time for
22 ESBA consultants will be billed at ½ their normal hourly rate.
- 23 • Should other consultant's from ESBA be needed, their rates will be billed between \$295 and
24 \$480 per hour and will be approved by the Debtors' Boards of Director in advance. ESBA
25 has agreed to endeavor to minimize the cost of this engagement by working efficiently and
26 cost effectively.
- 27 • If the engagement lasts more than six (6) months, ESBA has reserved the right reserve the
28 right to increase the hourly fee rates charged, upon prior written notice.

- Billings for fees and out of pocket expenses will be rendered weekly. ESBA's invoices are due and payable upon presentation. If an invoice is not paid on a timely basis, ESBA reserves the right to cease work until the matter is settled.
- ESBA will be reimbursed for any out-of-pocket expenses reasonably incurred in connection with the services provided. Such expenses include, but are not limited to, travel, meals, lodging, parking, telephone and fax, general office services, photocopying and delivery services. ESBA has agreed to take reasonable efforts to advise the Debtors of any material expenses that are expected to be incurred before they are incurred. Travel expenses to California for meetings with parties including but not limited to The United States Trustees Office; United States Bankruptcy Court; Board Members and Counsel will be paid initially by the Debtors.

See Katz Declaration, Exhibit 1 at pp. 3-4.

ESBA was given a \$30,000 retainer to secure payment of its fees and expenses in the prepetition period ("Prepetition Retainer"). To the extent not fully utilized by ESBA for the payment of its prepetition fees and expenses, the Prepetition Retainer will be rolled over to the postpetition period. Additionally, the Debtors have agreed that ESBA shall be given the Proposed Postpetition Retainer in the amount of \$85,000, which shall be funded from the first funds available under the DIP Financing Facility. ESBA shall segregate the Proposed Postpetition Retainer as well as the amounts, if any, remaining from the Prepetition Retainer to secure the payment of ESBA's fees and expenses. The Debtors have further agreed to grant ESBA a first-priority security interest in the Postpetition Retainer. Katz Declaration, Exhibit 1 at p. 4.

Because ESBA, Mr. Katz, Mr. Newton, and any additional Temporary Staff are not being employed as professionals under section 327 of the Bankruptcy Code, ESBA will not be submitting fee applications pursuant to sections 330 and 331 of the Bankruptcy Code. ESBA will, however, provide to the Office of the United States Trustee and counsel for any official statutory committees that may be appointed in these cases, reports of staffing, compensation earned and expenses incurred on a monthly basis, with respect to the prior month. Such reports shall include the names of individuals assigned and the functions filled by such individuals, summarize the services

provided, identify the compensation for the CRO and any Temporary Staff, and itemize the expenses incurred. Katz Declaration, ¶ 24.

ESBA shall also file with the Court: (i) monthly staffing reports for the prior month, including the names of individuals assigned and the functions filled by such individuals; and (ii) expense reports no less frequently than monthly, summarizing the services provided, identifying the compensation for the CRO and any Temporary Staff, and itemizing the expenses incurred. ESBA will provide notice of such filing to the United States Trustee and counsel for any official statutory committees, providing a ten (10) day time period from the date of issuance for objections to be filed. Such staffing and compensation for fees and expenses shall be subject to review by the Court only in the event that an objection is filed within such ten (10) day time period. Katz Declaration, ¶ 25.

To the best of the Debtors' knowledge, the compensation arrangement provided in the ESBA Agreement and described herein is consistent with and typical of arrangements entered into by ESBA and other restructuring consulting firms with respect to rendering similar services for clients such as the Debtors. ESBA submits its bills weekly and the bills are due upon presentation subject to the requirements outlined below. Katz Declaration, ¶ 22.

To the best of the Debtors' knowledge, there is no agreement or understanding between ESBA and any other person or entity for sharing compensation received or to be received for services rendered by ESBA personnel in connection with these Cases. Katz Declaration, ¶ 13.

Further, neither Mr. Katz nor any other employee of ESBA, has been a director of the Debtors in the past two years, nor have any of the above invested in the Debtors in the prior three years. Katz Declaration, ¶ 13.

D. Limited Hold Harmless Provisions.

The ESBA Agreement provides that Mr. Katz will be added to the Debtors' existing Officers and Directors Insurance Policy (the "D&O Policy"). Further, upon any cancellation or non-renewal of the D&O Policy, the Debtors have agreed to exercise their rights to extend the claim period for a one-year "discovery period" and will exercise such rights and pay such premiums required there under. Mr. Katz will also be covered by the indemnity provisions of the bylaws of Debtor Colorep, Inc. and any applicable state law. See Katz Declaration, Exhibit 1 at p. 4.

Additionally, as set forth in the ESBA Agreement, the Debtors have agreed to hold harmless and indemnify ESBA and its affiliates and their respective shareholders, directors, officers, members, managers, partners, control persons, employees, representatives, attorneys and agents, (each an "Indemnified Party"), from and against any and all losses, claims, damages, obligations, penalties, judgments, awards, settlements, liabilities, costs, expenses and disbursements (including reasonable attorneys' fees) asserted against or incurred by any Indemnified Party, related to, by reason of, or arising out of or in connection with, the ESBA Agreement or performance under the ESBA Agreement, whether such loss, claim, damage, obligation, penalty, judgment, award, settlement, liability, cost, expense or disbursement is asserted by the Debtors or any other person or entity. However, if any claim is made ESBA will only be liable up to the amount of fees earned and paid by the Debtors. However, the hold harmless and indemnity shall not apply to the extent that a court of competent jurisdiction has found by final judgment that such loss, claim, damage, obligation, penalty, judgment, award, settlement, liability, cost, expense or disbursement resulted from the negligence or willful malfeasance or gross negligence of ESBA. See Katz Declaration, Exhibit 1 at p. 5.

III.

AUTHORITY FOR RELIEF REQUESTED³

Section 363(b) of the Bankruptcy Code provides in pertinent part: "The trustee, after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b). In the Ninth Circuit, a proposed use of property pursuant to section 363(b) is appropriate if "some articulated business judgment" exists for the transaction. Walter v. Sunwest Bank (In re Walter), 83 B.R. 14, 19-20 (B.A.P. 9th Cir. 1988) (quoting Institutional Creditors of Cont'l Air Lines, Inc. v. Cont'l Air Lines, Inc. (In re Cont'l Air Lines, Inc.), 780 F.2d 1223, 1226 (5th Cir. 1986)); see also In re 240 North Brand Partners, Ltd., 200 B.R. 653, 659 (B.A.P. 9th Cir. 1996) ("[D]ebtors who wish to utilize § 363(b) to dispose of property of the estate

³ Pursuant to Section 363(c) of the Bankruptcy Code, entering into contractual arrangements for the provision of interim management is within the ordinary course of the Debtors' businesses as contemplated by the Bankruptcy Code. Corporations routinely hire and fire senior executives. Notwithstanding this contention, the Debtors have filed the Motion in the interest of full disclosure to the Court and the Debtors' stakeholders.

1 must demonstrate that such disposition has a valid business justification."); In re Ernst Home Ctr.,
2 209 B.R. 974, 979 (Bankr. D. Wash. 1997) (stating that the debtor's decision to enter into a
3 transaction under section 363(b) "must be based on its reasonable business judgment . . .," which
4 should be approved if the debtor establishes "some articulated business justification for the
5 transaction").

6 Once a debtor articulates a valid business justification, the law vests a debtor's
7 decision to use property out of the ordinary course of business with a strong presumption "that in
8 making a business decision the directors of a corporation acted on an informed basis, in good faith
9 and in the honest belief that the action taken was in the best interests of the company." Official
10 Comm. of Subordinated Bondholders v. Integrated Res., Inc., 147 B.R. 650, 656 (S.D.N.Y. 1992)
11 (quoting Smith v. Van Gorkom, 488 A.2d 858, 872 (Del. 1985)).

12 The retention of interim corporate officers is proper under section 363 of the
13 Bankruptcy Code. A company engaged to provide management services and to provide interim
14 officers need not be engaged as a "professional" because the very act of rendering the management
15 services during the period prepetition would prevent any such firm from qualifying as
16 "disinterested." A debtor's president, CEO or CFO is not disinterested and need not be engaged as a
17 professional, where disinterestedness is mandatory. The same standard must be applied to a CRO
18 and firms like ESBA that provide crisis management related services.

19 Among others, the United States Bankruptcy Courts for the District of Delaware, the
20 Northern District of Illinois, the Middle District of Florida, and the Southern District of New York
21 have approved the retention of temporary employees to provide crisis management and interim
22 officers and directors under section 363 of the Bankruptcy Code. See, e.g., In re Eastman Kodak
23 Company, Case No. 12-10202 (ALG) (Bankr. S.D.N.Y. Feb. 28, 2012); In re Archbrook Laguna
24 Holdings LLC, Case No. 11-13292 (SCC) (Bankr. S.D.N.Y. Aug. 3, 2011); In re Harry & David
25 Holdings, Inc., Case No. 11-10884 (MFW) (Bankr. D. Del. Apr. 27, 2011); In re Web Press Corp.,
26 (Case No. 09-17418) (KAO) (Bankr. W.D. Wash. Apr. 22, 2010); In re EZ Lube, Inc., (Case No. 08-
27 13256) (CSS) (Bankr. D. Del. Jan. 13, 2009); In re Weeks Landing, LLC, (Case No. 06-1721) (ALP)

(Bankr. M.D. Fla. Dec. 19, 2006). An appendix comprised of copies of each of these orders has been filed contemporaneously herewith.

Here, ESBA will provide only services that are "necessary whether a Chapter 11 had been filed or not, and the nature of the services [will] not change significantly on account of a bankruptcy." See In re Dairy Dozen-Milnor, LLP, 441 B.R. 918, 921 (Bankr. D.N.D. 2010). Indeed, ESBA is the only entity that can supply the Debtors with the full extent of management services that the Debtors require to manage their day to day affairs and oversee their restructuring efforts. The Debtors' management should not be treated as a "professional" under the Bankruptcy Code, because, as one court reasoned:

Who else would the creditors expect to be running the show? It is contemplated by the Code that the debtor will continue to operate its business unless and until an independent trustee or examiner is appointed. . . . The requirements of 11 U.S.C. § 1104 for appointment of a trustee or examiner should not be sidestepped by the unwarranted use of 11 U.S.C. § 327(a). CMG is not an independent professional person, and this court finds that 11 U.S.C. § 327(a) does not apply.

In re Century Inv. Fund VII Ltd. Partnership, 96 B.R. 884, 894 (Bankr. E.D. Wis. 1989).

Given the circumstances surrounding the Debtors' Cases, it is imperative that the Debtors not only immediately fill the role of CRO, but fill it with a person that has significant restructuring experience. As discussed above, the expertise of Mr. Katz and his firm in providing restructuring and management services to companies undergoing chapter 11 reorganizations makes them particularly well-qualified to provide the services contemplated in the ESBA Agreement and this Motion. The Debtors submit that, based on the circumstances of these Cases, they have clearly identified a legitimate and compelling business purpose for the relief requested herein, and that such relief is in the best interests of their estates and creditors and should be granted in all respects by the Court pursuant to Bankruptcy Code sections 363 and 105(a).

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IV.

CONCLUSION

WHEREFORE, based on the arguments and authorities set forth above, the Debtors respectfully request the entry of an Order granting the relief requested herein and such other and further relief as the Debtors deem proper and just.

Dated: July 30, 2013

/s/ Margreta M. Morgulas

GARY E. KLAUSNER
MARGRETA M. MORGULAS AND
KIZZY L. JARASHOW, Members of
STUTMAN, TREISTER & GLATT
PROFESSIONAL CORPORATION
[Proposed] Reorganization Counsel
for Debtors and Debtors in Possession

DECLARATION OF ROBERT D. KATZ

I, Robert D. Katz, hereby declare as follows:

Introduction

1. I am over 18 years of age and, if called as a witness, I could and would testify to the matters set forth herein based upon my personal knowledge.

2. I am a Managing Director of Executive Sounding Board Associates Inc. ("EBSA"), a financial and management consulting firm having expertise in turnaround, bankruptcy and financial advisory issues. ESBA maintains offices in New York, New York and Philadelphia, Pennsylvania.

3. I am authorized to execute this Declaration on behalf of ESBA.

4. I submit this declaration in support of the motion (the "Motion")⁴ of the above-captioned debtors and debtors in possession ("Debtors") under sections 363 and 105 of Title 11 of the United States Code, 11 U.S.C. §101, *et seq.* (the "Bankruptcy Code"), filed contemporaneously herewith, for an order authorizing and approving the ESBA Agreement, pursuant to which ESBA will serve as crisis manager and appoint me as Chief Restructuring Officer of the Debtors in compliance with the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

5. Except as otherwise noted, I have personal knowledge of the matters set forth herein and, if called as a witness, would testify competently thereto.

6. ESBA is a firm of seasoned professionals leading a coordinated effort for business recovery and improvement. Over 35 years and more than a thousand cases, ESBA's professionals have honed the skills needed to quickly diagnose problems, stabilize situations, determine the best courses of action, and develop a long term plan. With an average of 30 years business experience, our consultants have a diverse array of first-hand experience and hold a wide range of credentials

⁴ Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed thereto in the Motion.

1 7. I have personally led numerous companies through crises and turnarounds
2 with the vision and insight earned from more than 25 years on the front lines. In many instances, I
3 have acted as Interim President, Chief Financial Officer, Chief Operating Officer, Chief
4 Restructuring Officer or Treasurer, helping companies improve operating performance and generate
5 additional cash flow.

6 8. My colleague, Mr. Newton, has more than thirty-five years of management
7 experience in numerous functional areas. As a turnaround consultant, he has functioned in senior
8 leadership positions in a number of industries including manufacturing, printing, communications,
9 transportation, distribution, and healthcare. The work in these instances was strategic in evaluating
10 viable options for a debtor's future including steps to strengthen existing operations as well as
11 pursuing sale of the company or parts thereof, as well as the potential for additional acquisitions to
12 create a stronger competitor in the marketplace as part of a plan of reorganization.

13 9. I have reviewed the list of parties-in-interest as they are currently known,
14 including without limitation (i) the Debtors and their affiliates; (ii) the Debtors' directors and officers
15 and certain of their most significant business affiliations, as provided to ESBA by the Debtors;
16 (iii) the Debtors' pre- and post-petition lenders; and (v) other significant parties-in-interest, as
17 identified by the Debtors, and have determined, to the best of my knowledge, information and
18 belief, insofar as I have been able to ascertain after reasonable inquiry, other than in connection with
19 this case, neither I, nor ESBA, nor any of its principals, employees, agents or affiliates, have any
20 connection with the Debtors, their creditors, the U.S. Trustee or any other party with an actual or
21 potential interest in this Chapter 11 cases or their respective attorneys or accountants, except as
22 set forth below:

23 (a) ESBA is not employed by, and has not been employed by any entity
24 other than the Debtors in matters related to these Chapter 11 cases.

25 (b) ESBA provides services in connection with numerous cases,
26 proceedings and transactions unrelated to these Chapter 11 cases. These unrelated matters
27 involve numerous attorneys, financial advisors and creditors, some of which may be
28

1 claimants or parties with actual or potential interests in these cases or may represent such
2 parties.

3 (c) From time to time, ESBA may have provided services, and may
4 currently be providing services, to certain creditors of the Debtors and various other parties
5 adverse to the Debtors in matters unrelated to the Debtors and these Chapter 11 cases.
6 However, ESBA has undertaken a detailed search to determine and to disclose, whether it is
7 providing or has provided services to any significant creditors, equity security holders,
8 insiders or other parties in interest in such unrelated matters.

9 (d) ESBA personnel may have business associations with certain
10 creditors of the Debtors unrelated to the Debtors and these Chapter 11 cases. In addition, in
11 the ordinary course of its business, ESBA may engage counsel or other professionals in
12 unrelated matters who now represent, or who may in the future represent, creditors or other
13 interested parties in these cases.

14 10. To the best of my knowledge, insofar as I have been able to ascertain after
15 reasonable inquiry, neither I, nor ESBA, nor any of its principals, employees, agents or affiliates
16 holds or represents an interest materially adverse to the Debtors' estates, is a creditor, an equity
17 security holder, or an insider of the Debtors, is or was within two (2) years before the date of the
18 filing of these cases, a director, officer or employee of the Debtors or has an interest materially
19 adverse to the interest of the Debtors estates of any class of creditors or equity security holders, by
20 reason of any direct or indirect relationship to, connection with, or interest in the Debtors, or for any
21 other reason. Accordingly, I believe ESBA to have no conflict in connection with its engagement as
22 crisis manager and the appointment of the CRO.

23 11. If our Agreement with the Debtors is approved by this Court, ESBA will not
24 accept any engagement or perform any service for any entity or person other than the Debtors in
25 connection with or related to these Chapter 11 cases. ESBA may, however, continue to provide
26 services to entities or persons that may be creditors of the Debtors or parties-in-interest in these
27 Chapter 11 cases, provided that such services do not relate to, or have any direct connection with, the
28 Debtors or these Chapter 11 cases.

1 12. Despite the efforts described above to identify an disclose ESBA's
2 connections with parties-in-interest in these cases because the Debtors have numerous creditors and
3 other relationships, ESBA is unable to state with certainty that every client relationship or other
4 connection has been disclosed. In this regard, ESBA reserves the right to supplement this
5 Declaration should any additional connections come to its attention.

6 13. No agreement exists between ESBA or any other person (other than the
7 employees and contractors of ESBA) for the sharing of compensation to be received by ESBA in
8 connection with services rendered in this case. Further, neither me nor Mr. Newton, or any other
9 employee of ESBA, has been a director of the Debtors in the past two years, nor has any of the
10 above invested in the Debtors in the prior three years.

11 14. ESBA's requested compensation for services rendered by me, as CRO, as well
12 as any additional Temporary Staff that may be needed and shall be based upon hourly fees; hourly
13 fees consist of the time expended to render such services and at billing rates commensurate with the
14 experience of the person performing such services, and will be computed at hourly billing rates
15 customarily charged by ESBA for such services based on contemporaneous time records in tenth of
16 an hour increments or in conjunction with the success fee outlined below.

17 15. Specifically, my and Mr. Newton's hourly billing rates will be \$525 and \$395
18 (discounted for this engagement from his normal hourly rate of \$445/hour), respectively. Mr.
19 Newton will be majority time and I will be part-time. In the unlikely event that Mr. Newton works
20 more than 40 hours per week, ESBA will cap Mr. Newton's fees at \$15,000 per week. Alternatively,
21 ESBA may elect to cap Mr. Newton's fees at \$12,500 per week with a \$200,000 "success fee" to be
22 paid by Meserole upon completion of a reorganization under Chapter 11 of the Bankruptcy Code or
23 a sale of substantially all of the Debtors' assets pursuant to Section 363. If elected, the terms and
24 conditions of the success fee will be more formally spelled out in an addendum to the ESBA
25 Agreement.

26 16. To the extent not performing billable work while traveling, ESBA personnel
27 will bill all travel-related time at 50% of the applicable hourly rate. If any additional Temporary
28 Staff are needed by ESBA, their rates will be billed between \$295 to \$480 per hour, depending upon

seniority and experience. Any such additional Temporary Staff must be approved by the Debtors' Boards of Directors. ESBA has agreed to endeavor to minimize the cost of this engagement by working efficiently and cost effectively. ESBA reserves the right, if the engagement lasts more than six (6) months, to increase the hourly fee rates charged, upon prior written notice.

17. It is ESBA's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. Such expenses include, but are not limited to, travel, meals, lodging, parking, telephone and fax, general office services, photocopying and delivery services. ESBA will make reasonable efforts to advise the Company of any material expenses that are expected to be incurred before they are incurred. Travel expenses to California for meetings with parties including but not limited to The United States Trustees Office; United States Bankruptcy Court; Board Members and Counsel will be paid by the Debtors directly.

18. No entity with which ESBA has an alliance agreement, marketing agreement, joint venture, referral arrangement or similar agreement is involved in this case as a creditor, service provider or professional.

19. In July 2013, ESBA received a retainer of \$30,000 from the Debtors to secure ESBA's services ("Prepetition Retainer").

20. Additionally, the Debtors have agreed that ESBA shall be given a postpetition retainer in the amount of \$85,000 ("Postpetition Retainer"), which shall be funded from the first funds available under the DIP Financing Facility, if any, and after approval of the interim order approving the DIP Financing Facility. ESBA shall segregate the Post Petition retainer and any remaining proceeds from the prepetition retainer, to secure the payment of ESBA's fees and expenses. The Debtors have agreed to grant ESBA a first-priority security interest in the Postpetition Retainer.

21. Neither the Debtors nor ESBA shall have any further obligations to one another if the Postpetition Retainer is not funded as previously delineated.

22. Subject to the approval of this Court, the source of all compensation for services to be rendered on behalf of the Debtors shall be funds of the Debtors' estates. ESBA submits its bills weekly and they are payable upon presentation, subject to the requirements outlined below in

1 paragraph 25. Moreover, ESBA is unaware of the existence of any asserted or threatened claims
2 against ESBA or any person furnished by ESBA arising from any act or omission in the course of a
3 prepetition engagement.

4 23. ESBA had no authority prepetition to decide on behalf of the Company to
5 engage ESBA as crisis manager. To the best of my knowledge, that decision has been made by the
6 Debtors' Boards of the Directors, which are independent of ESBA and consists of individuals
7 unrelated to ESBA and any of its principals, employees, agents or affiliates.

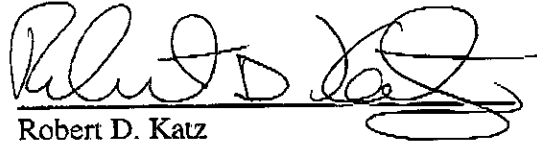
8 24. During the pendency of these cases, ESBA will provide to the Office of the
9 United States Trustee and counsel for any official statutory committees, reports of staffing,
10 compensation earned and expenses incurred on a monthly basis, with respect to the prior month.
11 Such reports shall include the names of individuals assigned and the functions filled by such
12 individuals, summarize the services provided, identify the compensation for the CROs and any
13 Temporary Staff, and itemize the expenses incurred.

14 25. Also throughout the pendency of these cases, ESBA shall also file with the
15 Court: (i) monthly staffing reports for the prior month, including the names of individuals assigned
16 and the functions filled by such individuals; and (ii) expense reports no less frequently than monthly,
17 summarizing the services provided, identifying the compensation for the CRO and any Temporary
18 Staff, and itemizing the expenses incurred. ESBA will provide notice of such filing to the United
19 States Trustee and counsel for any official statutory committees, providing a ten (10) day time period
20 from the date of issuance for objections to be filed. Such staffing and compensation for fees and
21 expenses shall be subject to review by the Court only in the event that an objection is filed within
22 such ten (10) day time period.

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24
25 **[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**
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1 I declare under penalty of perjury under the laws of the United States of America that
2 the foregoing is true and correct.

3
4 Executed at Philadelphia, Pennsylvania on July 29, 2013.

5 

6 Robert D. Katz
7 Managing Director,
8 Executive Sounding Board Associates Inc.
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Exhibit "1"
ESBA Agreement

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Executive Sounding Board

Associates Inc.

Management and Financial Consultants

1350 Broadway • Suite 702 • New York, NY 10018 • (212) 944-0750 • FAX: (212) 944-0753
1500 JFK Blvd • Suite 1730 • Philadelphia, PA 19102 • (215) 568-5788 • FAX: (215) 568-5769

VIA E-MAIL PERSONAL & CONFIDENTIAL

July 27, 2013

The Board of Colorep, Inc.
c/o Gary E. Klausner
Shareholder
Stutman, Treister & Glatt
1901 Avenue of the Stars, 12th Floor
Los Angeles, California 90067

Re: Engagement Agreement

Dear Mr. Klausner:

I was told to forward our engagement proposal to you as Counsel to Colorep, Inc. This is the updated engagement letter from the previous one dated July 5, 2013 and signed by Kerry Dukes on July 9, 2013. We appreciate the opportunity for Executive Sounding Board Associates Inc. ("ESBA") to propose as the Chief Restructuring Officer ("CRO") to assist you with the reorganization and operating efforts of Colorep, Inc and Transprint, USA, Inc. ("Colorep" or "Company" "Debtors").

While we cannot guarantee results, we have often work with companies in similar situations as Colorep tailoring the engagement to fit the particular and specific needs of each client for the last 34 years and over 1,000 successes. ESBA has represented companies as the CRO with the overriding objective to maximize value to our clients and reduce the time you spend on matters such as these take from the ultimate goal of your ongoing entities to generate additional profits and cash flow.

We understand that time is of the essence. We have prepared this letter to include both a proposal scope and our standard engagement terms.

My colleague Paul Newton and I have done this for the last 20 + years in situations similar to yours that require intense and committed effort for a compressed period of time answering to multiple stakeholders and assisting the Company in choosing the alternative that will minimize cost and additional investment of resources.

I have included both mine and Paul's CV and Bio so that you and the Board see the depth, experience and expertise of our professional staff that would lead this engagement.

As we understand it, the Company is considering engaging a Chief Restructuring Officer to lead both the Manufacturing and Financial operations; to assist the Company in generating positive cash flow; operating performance and producing financial reports on a timely basis to be used by management and its stakeholders. We would further assist the Company in working it through a Chapter 11 filing and/or a 363 sale.

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All which we have successfully guided are clients through to emerge a stronger and healthier company under ESBA's leadership.

SCOPE OF WORK

As we discussed, the situation and the proposed scope is designed to be as efficient as possible and to first utilize Company resources when possible.

We will work with you to focus on:

- Act as the Chief Restructuring Officer (CRO) and as such ESBA will be appointed CRO and assume certain duties and responsibilities of the day to day management and operation of the Debtors' businesses, during their Chapter 11 cases, including responsibility for the Debtors' compliance with UST requirements and regulations, with the understanding and assuming that there is wherewithal to provide the information timely and materially accurately, and assisting the Debtors in managing a sale process under Bankruptcy Code section 363 and/or evaluating and developing alternative reorganization strategies; The CRO may appoint subordinate officers of the Company; provided, however, ESBA shall use commercially reasonable efforts to manage the Debtors in the exercise of "apparent authority" by any officer, employee or consultant (interim or otherwise) which is inconsistent with their actual authority.
- Working to improve the manufacturing process; enhancing throughput; material utilization; reducing the cost per unit and advising on the most effective way to position the operations while considering other stake holder concerns and maintaining focus on the overall picture and the accompanying details;
- Minimize the day to day interruptions and involvement of related stakeholders. Freeing up Company management from internal time consuming matters, to focus on business growth,
- Prepare and develop a rolling cash flow forecast to manage the Company's cash position and to maximize the value from each disbursement. It will enable the Company to better report to remote stakeholders.
- Prepare and develop if requested a business plan, including balance sheet, income statement, cash flow statements and support schedules and assumptions.
- Work with Company personnel to provide monthly financial statements; close the books/accounting records and report variances to budget.
- Prepare a market overview if requested; assess the Company's competitive position, customer base and sales performance and trends. Recommend opportunities to improve and increase sales.
- Guide the Company through the proposed Chapter 11/363 sale process. Prepare statements and schedules as needed and as requested.
- Guide the company through the transition process.

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- Testify in Bankruptcy Court and participate in hearings as requested
- Manage the work flow, work product, court deadlines and interaction with others court related professionals and personnel including but not limited to the US trustee;
- Other projects as requested by the board of directors.
- Provide at minimum weekly and more frequent status updates and progress reports.
- ESBA's responsibilities and authority as CRO do not include any responsibilities, powers and authority of the Debtors Board of Directors, all of which shall remain with the Board

Additional Background

ESBA began it's assignment pre-petition under a previous executed engagement letter. At that time the Company had existing past payroll taxes obligations, past 401K plan payments, past payroll obligations due to employees and other personnel. Subsequent to that ESBA also learned that the Company's Health Care Plan ("HCP") for its employees which was with Anthem Blue Cross/Blue Shield had been terminated. The Company and its Board Members indicated that the Company had not received termination notices; subsequent to our initial engagement, notices received from Anthem Blue Cross/Blue Shield were found that indicated that HCP had been terminated; also certain other patents and intangible property ownership and licenses were either soon to be or had been terminated. Other issues not detailed as well as those outlined in the Company and Debtor's petition had occurred prior to ESBA's initial engagement.

STANDARD ENGAGEMENT TERMS

1. Robert Katz's billing rate for this engagement is \$525 per hour. Paul Newton's billing rate for this engagement will be \$395 per hour, discounted from his normal hour rate of \$445 per hour. In the event and likelihood that Paul Newton will have to work more than 40 hours per week, we will cap Paul Newton's fee's at \$15,000 per week related to his work.

As an alternative and at ESBA's sole discretion, ESBA would cap Mr. Newton's fees at \$12,500 per week with a \$200,000 "success fee" to be paid by Meserole upon completion of a reorganization under Chapter 11 of the Bankruptcy Code or a Section 363 sale. This success fee would be more formally spelled out in an addendum to this agreement.

Travel time for ESBA consultants will be billed at ½ their normal hourly rate.

Should other consultant's from ESBA be needed, their rates will be billed between \$295 and \$480 per hour and will be approved by you in advance. As indicated previously, we will endeavor to minimize the cost of this engagement to you by working efficiently and cost effectively; the efficiency of our work will depend upon the cooperation and availability of your team. If the

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engagement lasts more than six (6) months, we reserve the right to increase the hourly fee rates charged, upon written notice to the Company.

2. Billings for fees and out of pocket expenses will be rendered weekly. The Company acknowledges that ESBA invoices are due and payable upon presentation. If an invoice is not paid on a timely basis, ESBA reserves the right to cease work until the matter is settled.
3. The Debtors have agreed that ESBA shall be given a postpetition retainer in the amount of \$ 85,000 ("Postpetition Retainer"), which shall be funded from the first funds available under the DIP Financing Facility, if any, and after approval of the interim order approving the DIP Financing Facility. ESBA shall segregate the Retainer as well as the amounts, if any, remaining from the Prepetition Retainer to secure the payment of ESBA's fees and expenses. The Debtors have further agreed to grant ESBA a first-priority security interest in the Postpetition Retainer. As stated previously, neither the Debtors nor ESBA shall have any further obligations to one another if the Postpetition Retainer is not funded as previously delineated.
4. ESBA will be reimbursed for any out-of-pocket expenses reasonably incurred in connection with the services rendered hereunder. Such expenses include, but are not limited to, travel, meals, lodging, parking, telephone and fax, general office services, photocopying and delivery services. We will make reasonable efforts to advise the Company of any material expenses that are expected to be incurred before they are incurred. Travel expenses to California for meetings with parties including but not limited to The United States Trustees Office; United States Bankruptcy Court; Board Members and Counsel will be paid initially by the Company.
5. In performing the services described above, the Company agrees to furnish or cause to be furnished to ESBA such information as ESBA reasonably believes appropriate to the execution of its engagement hereunder (all such information so furnished being the "Information"). ESBA has concluded that the Company's records have been less than satisfactory and ESBA's ability to produce timely and accurate information is questionable, which could delay reporting to certain entities. ESBA will use its best efforts to meet stated deadlines. ESBA (a) will use and rely primarily on the Information and on information available from generally recognized public sources in performing the services contemplated hereby without having independently verified any of the same and (b) does not assume responsibility for accurateness or completeness of the Information and such other information and (c) will not make an appraisal of the assets or liabilities of the Company.
6. ESBA is being retained by the Company and ESBA will report to Mr. Gary E. Klausner, The Company's bankruptcy counsel and to the Board upon reasonable request.
7. The Company, at its premises, shall provide ESBA personnel with the use of office and telephone facilities and general office services, as reasonably required in connection with this engagement.
8. The Company agrees to make available to ESBA the Company's financial & operational information and data with respect to the Company as requested and agrees to permit discussions

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with Company personnel and other stakeholders as ESBA reasonably believes necessary in connection with this engagement.

9. Should services outside the scope of this engagement be requested, the extent and the additional compensation to be paid for such services shall be mutually agreed to in writing before ESBA personnel begins to perform such services. A separate engagement letter or an addendum to this engagement letter will be processed to provide for such services.
10. ESBA is not an independent accounting firm or law firm and does not undertake the performance of an audit or the rendering of legal advice in this engagement. We will rely upon financial data and legal advice provided by the Company and the Company's independent auditors and counsel, as applicable.
11. The Company shall indemnify and hold harmless ESBA, its affiliates and their respective shareholders, directors, officers, employees and agents from and against any and all claims, liability, loss, cost, damage or expense (including reasonable attorneys' fees) asserted against, or incurred by ESBA or its affiliates or any such shareholder, director, officer, employee or agent by reason of, or arising out of this agreement or performance under this agreement, whether such claim, liability, loss, cost, damage or expense is asserted by the client or any other person or entity; provided, however, ESBA shall not be indemnified for any act of gross negligence or intentional misconduct. . Should any claim be made, ESBA will only be liable up to the amount of fees earned and paid by the Company.
12. Messrs. Katz and Newton will be added to the Debtors' existing Officers and Directors Insurance Policy (the "D&O Policy"). Further, upon any cancellation or non-renewal of the D&O Policy, the Debtors have agreed to exercise their rights to extend the claim period for a one-year "discovery period" and will exercise such rights and pay such premiums required there under. Messrs. Katz and Newton will also be covered by the indemnity provisions of the bylaws of Debtor Colorep, Inc & Tradeprint, USA, Inc. and any applicable state law.
13. Except for the services to be provided pursuant to this Agreement, during the term of this engagement and for a period of two (2) years thereafter, the Company shall not utilize, whether as employee or independent consultant, and whether directly or indirectly, the services of any person who is, was or had been employed by ESBA during the term of this engagement without Rob's written consent.
14. If ESBA is requested or required to appear and or testify before any tribunal in connection with this engagement, whether or not pursuant to lawful process, all time spent and out-of-pocket expenditures, including reasonable expenses for legal counsel, shall be considered to have been performed under the terms of this Engagement Agreement, and shall be entitled to receive payment of fees and reimbursement of expenses thereof from the Company.
15. Either ESBA or the Company may terminate this Agreement upon written notice. Paragraphs 11, 12 and 13 shall survive any termination. In addition, payment of all outstanding amounts due provided for in this Agreement is to accompany termination by the Company.

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The signing of this engagement letter and receipt of the retainer is necessary to commence.

Please wire the \$85,000 retainer to ESBA's account at PNC Bank, Philadelphia, PA 19102, ABA#031000053 account number 8605830556.

I look forward to the opportunity to work with you and assist you in achieving your objectives, relieving the pressures and strains and returning the focus toward profitable initiatives.

Should you have any questions or need additional information please give me a call on my cell at 215-738-5542.

Very Truly Yours,

EXECUTIVE SOUNDING BOARD ASSOCIATES INC.

Robert D. Katz

Robert D. Katz
Managing Director

Terms and conditions accepted by Colorep, Inc and affiliated Companies if any. The Person signing this agreement has the authority to bind the Company.

By: Joseph P. Bartlett

Title: Director

Date: July 23, 2013

EXHIBIT "B"

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

Reorganization Counsel
for Debtors and Debtors in Possession

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

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

In re:

COLOREP, INC.,
a California corporation, *et al.*,

Debtors.

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

Case No. 2:13-bk-27689-WB

Chapter 11
(Jointly Administered)

**ORDER AUTHORIZING THE
EMPLOYMENT OF EXECUTIVE
SOUNDING BOARD ASSOCIATES INC.
TO SERVE AS CHIEF RESTRUCTURING
OFFICER PURSUANT TO BANKRUPTCY
CODE SECTION 327**

Hearing Date

Date: October 24, 2013
Time: 10:00 a.m.
Location: Courtroom 1375
255 East Temple Street
Los Angeles, CA 90012

FILED & ENTERED

NOV 18 2013

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY beauchamp DEPUTY CLERK

At the above-captioned time and place (the "Hearing"), the Court held a hearing on the Debtors' Notice Of Motion And Motion Pursuant To Bankruptcy Code Sections 105(a) And 363 For Entry Of An Order Authorizing The Employment Of Executive Sounding Board Associates Inc. To Provide Crisis Management Services And To Provide Robert D. Katz To Serve As Chief Restructuring Officer From The Petition Date [Docket No. 80] (the "Motion"),¹ filed by Colorep, Inc. and Transprint USA, Inc. (collectively, the "Debtors"). Appearances were made at the Hearing by counsel for the Debtors, counsel for the Office of the United States Trustee, and Robert D. Katz on behalf of Executive Sounding Board Associates, Inc. ("ESBA"). Upon review and consideration of the Motion, the Declaration of Robert D. Katz filed in support of the Motion, the Declaration of Danielle A. Pham regarding non-receipt of opposition to the Motion, the record in this case, and the arguments of counsel at the Hearing, the Court hereby finds that good causes exists, and the Debtors are authorized, pursuant to Bankruptcy Code section 327(a), to employ ESBA as the Debtors' Chief Restructuring Officer ("CRO"), and that notice was appropriate under the circumstances.

Accordingly,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED as set forth herein.
2. Pursuant to Bankruptcy Code section 327(a), ESBA is authorized to serve as the Debtors' CRO, *nunc pro tunc* to July 10, 2013 (the "Petition Date"), under the terms of the ESBA Agreement.
3. ESBA's Proposed Postpetition Retainer in the amount of \$85,000, funded from the DIP Financing Facility, is approved.
4. ESBA is authorized to be paid its accruing fees and costs pursuant to the terms, conditions and procedures set forth in the ESBA Agreement, and to draw down each month on the Proposed Prepetition Retainer and any other funds received by ESBA in connection with its representation of the Debtors subsequent to the Petition Date (together with the Proposed Prepetition Retainer, the "Chapter 11 Retainer") pursuant to the following terms:

¹ Capitalized terms not otherwise defined herein shall have the meaning afforded to them in the Motion.

1 a. Before the Chapter 11 Retainer is drawn down each month, ESBA will
2 deliver to the Office of the United States Trustee (the "UST") monthly invoices, together with
3 documentation supporting the charges (the "Professional Fee Statement"), showing the amount of
4 fees ESBA has incurred for professional services rendered and the amount of expenses incurred on
5 behalf of the Debtors for which ESBA seeks reimbursement, by no later than the 20th day after the
6 end of the month during which the services were rendered.

7 b. ESBA will also serve copies of the Professional Fee Statement
8 (without supporting documentation) on the Debtors, any committee that may be appointed in this
9 case or the twenty largest creditors if no committee is appointed, other parties in interest who request
10 special notice in these cases, and their counsel (the "Notice Parties"). If no objection to the
11 Professional Fee Statement is filed and served within ten (10) days after the service of the
12 Professional Fee Statement, ESBA will draw from its account 80% of the amount of fees and 100%
13 of the amount of costs represented by that monthly invoice and will pay to itself those sums without
14 further notice, hearing or order of the Court. If a written objection to ESBA's monthly invoice is
15 filed by a party in interest, ESBA will refrain from withdrawing the disputed funds from its account
16 until the objection has been resolved by the Court.

17 c. After the Chapter 11 Retainer is exhausted, ESBA will receive further
18 payment from the Debtors for its fees and costs incurred in these chapter 11 cases only upon further
19 Court order.

20 5. The notices of ESBA's fees and expenses filed with the Court for the periods
21 from July 10, 2013 through July 31, 2013 (the "July Fee Period") [Docket No. 200] and from August
22 1, 2013 through August 31, 2013 (the "August Fee Period") [Docket No. 226] are deemed sufficient
23 to satisfy ESBA's obligation to serve Professional Fee Statements for the July Fee Period and August
24 Fee Period. ESBA, having received no objection to these statements, may draw down the Chapter
25 11 Retainer for its fees and expenses incurred during the July Fee Period and August Fee Period
26 pursuant to the terms of this Order.

6. Any and all compensation of ESBA for its fees and expenses is subject to review on a final basis by the Court pursuant to the reasonableness standards of Bankruptcy Code section 330.

7. ESBA shall file a fee application, pursuant to Bankruptcy Code section 330 or 331, Federal Rule of Bankruptcy Procedure 2016, and Local Rule of Bankruptcy Procedure 2016-1, so as to be heard by this Court on January 30, 2013.

Presented by:

/s/ Michael S. Neumeister

Gary E. Klausner, and
Michael S. Neumeister, members of
STUTMAN, TREISTER & GLATT, P.C.
Reorganization Counsel
for Debtors and Debtors in Possession

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Date: November 18, 2013

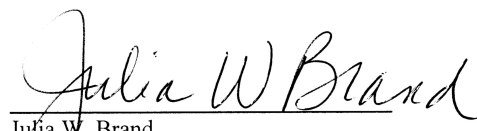

Julia W. Brand
United States Bankruptcy Judge

EXHIBIT "C"

Billing break-down of the fees Incurred by ESBA during the First Interim Period											
Task Code	Task Description	July		August		September		October		Totals	
		Hours	Fees	Hours	Fees	Hours	Fees	Hours	Fees	Hours	Fees
045	Benefits	9.2	\$4,390.00	0	0.00	0	0.00	4.5	2,137.50	13.7	6,527.50
046	Board of Directors	3.6	1,890.00	3.3	1,697.50	5.9	2,902.50	0	0.00	12.8	6,490.00
047	Business Analysis	30.7	13,744.50	20.8	9,675.00	14.7	7,087.50	10.9	5,222.50	77.1	35,729.50
050	Case Administration	3.5	1,612.50	9	4,415.00	7.7	3,657.50	0	0.00	20.2	9,685.00
051	Cash Management	12.5	5,992.50	36.3	17,287.50	23.4	11,115.00	6.6	3,135.00	78.8	37,530.00
061	Correspondence	0.0	0.00	4.7	2,232.50	3	1,425.00	3.7	1,757.50	11.4	5,415.00
062	Court Hearing & Preparation	21.9	9,624.50	10.7	5,617.50	1.1	577.50	8.2	4,290.00	41.9	20,109.50
074	Preparation of Application	0.0	0.00	0	0.00	7.1	3,422.50	17.4	5,160.00	24.5	8,582.50
077	Financial Statements & Projections	43.8	21,105.00	28.5	14,067.50	23.7	11,652.50	5	2,430.00	101	49,255.00
078	Financing	5.7	2,925.50	6	3,150.00	0	0.00	0	0.00	11.7	6,075.50
079	Vendor	0.0	0.00	9.6	4,640.00	10.8	5,130.00	6.9	3,277.50	27.3	13,047.50
081	Tax Issues/Consulting	2.0	950.00	0	0.00	0	0.00	0	0.00	2	950.00
085	Systems Review	0.0	0.00	0	0.00	0	0.00	2.6	1,235.00	2.6	1,235.00
086	Insurance	0.0	0.00	12.1	5,699.50	6.3	2,992.50	5.8	2,755.00	24.2	11,447.00
090	Personnel Issues	3.3	1,567.50	19.3	8,999.50	14.2	6,745.00	13.8	6,555.00	50.6	23,867.00
098	Meeting - External	44.5	20,657.50	16.1	7,647.50	0	0.00	0	0.00	60.6	28,305.00
099	Meetings	25.1	10,854.00	34.6	16,225.00	22.9	10,877.50	23.95	11,416.25	106.55	49,372.75
103	Operational Budgets	5.6	2,660.00	0	0.00	0	0.00	0	0.00	5.6	2,660.00
104	Operations & Financial Analysis	0.0	0.00	15.8	7,595.00	8.7	4,132.50	3	1,425.00	27.5	13,152.50
110	Real Estate Data/Valuation	2.2	1,045.00	0	0.00	0	0.00	3.9	1,852.50	6.1	2,897.50
113	Report Preparation	0.0	0.00	5.6	2,785.00	2	1,050.00	0	0.00	7.6	3,835.00
115	Sale of Business & Related Issues	0.0	0.00	0	0.00	27.1	12,682.50	21.6	10,635.00	48.7	23,317.50
116	Schedules - Bankruptcy	47.2	19,778.00	60.4	25,317.00	5.9	2,992.50	14.1	6,847.50	127.6	54,935.00
122	Manufacturing	18.2	7,189.00	8.7	4,132.50	5.9	2,802.50	2.8	1,330.00	35.6	15,454.00
141	Personnel	5.0	2,180.00	0	0.00	0	0.00	0	0.00	5	2,180.00
148	Travel (billed at \$0.00 rate)	32.9	0.00	49.9	0.00	22.6	0.00	25	0.00	130.4	0.00
Total		316.9	\$128,165.50	351.4	\$141,183.50	213	\$91,245.00	179.8	\$71,461.25	1,061.1	\$432,055.25

ColorRep, Inc.

Executive Sounding Board Associates Inc.
Summary of Time Incurred by Professional Fees by Month

07/10/13 - 07/31/13

Name of Professional Person	Position of the Applicant	Hourly Billing Rate (including changes)	Hours	Fees
Newton, Paul	Director	395.00	111.40	\$44,003.00
Hauer, Richard	Managing Director	405.01	149.30	\$60,467.50
Katz, Robert	Managing Director	422.32	56.00	\$23,650.00
Abdulayev, Sabir	Consultant	225.00	0.20	\$45.00
Total Hours and Fees			<u>316.90</u>	<u>\$128,165.50</u>
Blended Rate		\$404.44		

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Newton, Paul**Director**

Date	Task	Tmkp	Description	Hours Worked	Rate	Fees Billed
07/11/13	062	PNT	Multiple meetings and discussions with management and staff to begin work to gather information needed for developing Court required documents.	2.40	395.00	\$948.00
07/11/13	099	PNT	Follow up meetings re the bankruptcy filing with members of the consulting team, and members of management.	2.20	395.00	\$869.00
07/11/13	116	PNT	Begin review of the company's information in preparation for developing required schedules.	2.60	395.00	\$1,027.00
07/11/13	122	PNT	Meetings and discussions with operating staff to begin working on developing a plan for getting production moving forward.	2.20	395.00	\$869.00
07/12/13	062	PNT	Meetings and conference calls with company personnel re steps needed to get needed court approvals to enable materials acquisition for production.	1.90	395.00	\$750.50
07/12/13	062	PNT	Work on issues related to going forward with the bankruptcy process.	2.40	395.00	\$948.00
07/12/13	099	PNT	Meeting with management and company employees to bring them up to date on the bankruptcy filing and answer questions.	1.10	395.00	\$434.50
07/12/13	116	PNT	Begin work to gather information to prepare initial seven day filings with U. S. Trustee.	2.20	395.00	\$869.00
07/12/13	122	PNT	Production planning meeting and follow up with plant management.	0.90	395.00	\$355.50
07/12/13	122	PNT	Review information on plant operations as part of process of getting up to speed on requirement for getting production increased.	2.10	395.00	\$829.50
07/15/13	062	PNT	Meetings with company personnel to review where the bankruptcy process stood and discuss next steps.	1.30	395.00	\$513.50
07/15/13	116	PNT	Work on plan for getting the schedules for the seven day filings completed.	1.50	395.00	\$592.50
07/16/13	062	PNT	Meetings and discussions with M. Fox on bankruptcy issues and to gain input into the information needed for the schedules for the Trustee.	1.40	395.00	\$553.00
07/16/13	062	PNT	Discussions with R. Hauer and with Mark Fox to address bankruptcy issues as well as work to gather information re preparing information filing for the U. S. Trustee.	2.40	395.00	\$948.00
07/16/13	077	PNT	Begin detailed review of initial projections in detail for discussions with management and consulting group.	3.10	395.00	\$1,224.50
07/16/13	122	PNT	Morning production planning meeting with plant manager and supervisors to review for production and scheduling issues as well as materials concerns.	0.80	395.00	\$316.00

Client: ColorRep, Inc.

07/16/13	122	PNT	Meeting with plant manager to go through the plant as follow up to the production meeting and discuss the issues facing the plant for the day.	1.50	395.00	\$592.50
07/16/13	122	PNT	Work with plant manager to review production progress and discuss key needs for improving productivity through maintenance and upgrading various equipment.	1.30	395.00	\$513.50
07/17/13	077	PNT	Continue detailed review of initial projections and discussions with management and the consulting group on production and materials related issues.	1.60	395.00	\$632.00
07/17/13	099	PNT	Video conference meeting with managers, supervisors, and outlying offices to discuss sales, production, deliveries and customer related issues. This included follow-up discussions with plant manager.	1.30	395.00	\$513.50
07/17/13	099	PNT	General meeting with management, all employees, and the lender to follow up on the bankruptcy filing and the status of the company going forward.	1.40	395.00	\$553.00
07/17/13	116	PNT	Work on putting together materials required by the U. S. Trustee re the seven (7) day filings.	2.60	395.00	\$1,027.00
07/17/13	122	PNT	Plant walkthrough and discussions with plant manager re 10 AM meeting with managers, supervisors, and outlying offices via video conferencing.	1.10	395.00	\$434.50
07/17/13	122	PNT	Production planning meeting with plant manager and plant supervisors re planned production and potential issues.	0.90	395.00	\$355.50
07/17/13	122	PNT	Follow up on production and shipments including discussions with plant management on issues and problems.	1.10	395.00	\$434.50
07/18/13	062	PNT	Continuing work on bankruptcy issues with Mark Fox and the consulting group including work on the requirements for the seven day filings for the U. S. Trustee.	1.30	395.00	\$513.50
07/18/13	099	PNT	Phone conversations with consulting group on reporting, status of production, the projections, and	0.10	395.00	\$39.50
07/18/13	116	PNT	Continuing work with Mark Fox and the staff on the requirements for the seven day filings for the U. S. Trustee.	2.90	395.00	\$1,145.50
07/18/13	122	PNT	Morning production planning meeting, plant walk around, and follow up.	1.10	395.00	\$434.50
07/18/13	122	PNT	Meeting with plant manager and all operations supervisors to review and develop a comprehensive list of needed plant production related maintenance and equipment upgrades.	1.80	395.00	\$711.00
07/18/13	122	PNT	Meetings with M. Fox, B. Boyd, plant manager, and controller re planning for expenditures going forward.	1.40	395.00	\$553.00
07/19/13	045	PNT	Conference calls with consulting group re various problems re funding, payments, and health care issues for the work force, and the status of preparation of the seven (7) reports for the U. S. Trustee	1.10	395.00	\$434.50
07/19/13	045	PNT	Working with management and the staff pursuing efforts to address the health care issues for the workforce and for individual employees.	1.40	395.00	\$553.00

Client: ColorRep, Inc.

07/19/13	099	PNT	Video conference meeting with managers, supervisors, and outlying offices to discuss sales, production, deliveries and other problems including follow up; and, issues including the significant issues for individuals re health care insurance.	1.20	395.00	\$474.00
07/19/13	116	PNT	Continuing process of working on getting various items for the series of documents including the 7 day schedules required for delivery to the U. S. Trustee early next week.	4.60	395.00	\$1,817.00
07/19/13	122	PNT	Morning production planning meeting and follow up.	0.90	395.00	\$355.50
07/19/13	122	PNT	Work with plant manager on various issues relevant to getting funding for key purchases of maintenance and upgrades for the plant to improve quality and productivity.	1.10	395.00	\$434.50
07/19/13	141	PNT	Work on various problems and issues related to insurance for the workforce, payroll issues, and other bankruptcy related concerns.	1.60	395.00	\$632.00
07/22/13	047	PNT	Review operational performance, work with plant manager on operational issues including maintenance.	1.30	395.00	\$513.50
07/22/13	099	PNT	Meetings with management to learn current situation and today's key priorities.	0.70	395.00	\$276.50
07/22/13	099	PNT	Meetings with management on operational and bankruptcy issues.	1.10	395.00	\$434.50
07/22/13	116	PNT	Meet with the controller and review 7 day requirements.	0.70	395.00	\$276.50
07/22/13	116	PNT	Work on completing documents for the 7 day reports due to the U. S. Trustee	2.50	395.00	\$987.50
07/23/13	047	PNT	Morning operations meeting with plant manager and supervisors and follow up.	0.80	395.00	\$316.00
07/23/13	099	PNT	Discussions with management on funding decisions for operations to continue strong plant performance.	1.10	395.00	\$434.50
07/23/13	099	PNT	Call with M. Fox on operating and cash flow issues.	0.90	395.00	\$355.50
07/23/13	116	PNT	Continue work to gather needed information for the 7 day package to the U. S. Trustee working with Accounting.	2.10	395.00	\$829.50
07/23/13	116	PNT	Continue work on 7 day package to complete documentation needed for report to U. S. Trustee.	2.80	395.00	\$1,106.00
07/23/13	116	PNT	Discussions with B. Boyd on questions relative to the 7 day package.	0.50	395.00	\$197.50
07/23/13	116	PNT	Work on getting information together for completion of Schedules.	2.20	395.00	\$869.00
07/23/13	141	PNT	Follow up on issues with Personnel Manager on various issues	0.60	395.00	\$237.00
07/24/13	047	PNT	Morning operations meeting with plant manager and supervisors with follow up in the plant with maintenance and machine issues.	1.20	395.00	\$474.00
07/24/13	047	PNT	Follow up meeting with maintenance supervisor on several issues and the need for a small maintenance slush fund.	1.20	395.00	\$474.00

Client: ColorRep, Inc.

07/24/13	047	PNT	Work on plant operations schedules.	0.50	395.00	\$197.50
07/24/13	047	PNT	Meeting with senior accountant re reporting on daily production performance.	0.60	395.00	\$237.00
07/24/13	098	PNT	Conference call with consulting group, BOD, lender, and attorneys re various significant issues and provide update.	1.20	395.00	\$474.00
07/24/13	099	PNT	Meeting with operations and sales to review current status of production, deliveries, and scheduling issues to meet customer deliver needs.	1.10	395.00	\$434.50
07/24/13	099	PNT	Meeting with M. Fox on various issues including decisions on initiating orders for maintenance and upgrades in the plant.	0.90	395.00	\$355.50
07/24/13	099	PNT	Meeting with management team re decisions on purchases for the next two days.	1.10	395.00	\$434.50
07/24/13	116	PNT	Continue work on completion of Schedules.	0.70	395.00	\$276.50
07/24/13	116	PNT	Meeting with controller re information needs for completing the Schedules.	0.50	395.00	\$197.50
07/24/13	116	PNT	Review information included in 7 day package for U. S. Trustee re preparation of the Schedules.	1.90	395.00	\$750.50
07/25/13	047	PNT	Morning operations meeting with plant manager and supervisors on production plan for the day.	0.80	395.00	\$316.00
07/25/13	047	PNT	Follow up operations planning meeting with discussions on maintenance issues and key environmental issues relative to materials.	1.50	395.00	\$592.50
07/25/13	047	PNT	Got environmental manager involved to pursue resolution of important environmental issues with suppliers.	0.70	395.00	\$276.50
07/25/13	047	PNT	Follow up discussions and work with maintenance manager on operational questions and recommendations.	0.80	395.00	\$316.00
07/25/13	098	PNT	Phone with A. Hirt re scheduling issue on environmental work in pre-press and request for the Virginia EPA's report requiring this work.	0.40	395.00	\$158.00
07/25/13	098	PNT	Conference call with lender and sales team; review projections and backlog, vendor relations, and production issues.	1.20	395.00	\$474.00
07/25/13	099	PNT	Review production performance and related issues.	0.60	395.00	\$237.00
07/25/13	099	PNT	Discussion with M. Fox on various operational issues including status of work on an environmental package being prepared and the scheduling of a major overall of pre-press equipment required by Virginia EPA.	0.70	395.00	\$276.50
07/25/13	099	PNT	Conference call on status of projections, Schedules, for Court hearing.	1.20	395.00	\$474.00
07/25/13	116	PNT	Resume work on Schedules including meetings with the controller and senior accountant.	1.20	395.00	\$474.00
07/25/13	116	PNT	Continue work with controller and senior accountant on work on the Schedules for the Court.	1.80	395.00	\$711.00
07/25/13	141	PNT	Meetings and analysis with human resource manager on various issues involving employee back pay as well as insurance coverage issues.	0.80	395.00	\$316.00

07/26/13	047	PNT	Morning operations meeting with plant manager and supervisors with follow up.	0.90	395.00	\$355.50
07/26/13	047	PNT	Review and discussion with maintenance manager on the updated list of key expenditures for purchases of upgrade items for the plant to improve productivity and quality.	0.70	395.00	\$276.50
07/26/13	047	PNT	Discussion with M. Fox on the environmental package that he indicated he was preparing for A. Hirt, a petty cash type fund for maintenance, and the status of information being put together for the Schedules.	0.60	395.00	\$237.00
07/26/13	077	PNT	Request from R. Katz re information on a difference between numbers in payroll and follow up discussion with the Controller to provide information on this difference.	0.30	395.00	\$118.50
07/26/13	078	PNT	Discussion with M. Fox re the Prudential stock owned by the company and his intention to liquidate it for working capital.	0.40	395.00	\$158.00
07/26/13	098	PNT	Conference call with consulting group, A. Hirt, and D. Fuller on a wide range of subjects including organizational issues, progress to date, sales, and personnel as well as other issues.	1.80	395.00	\$711.00
07/26/13	098	PNT	Extended discussion with A. Hirt re the situation going forward and the issue of the environmental documentation of the Virginia EPA's requirement for major upgrade.	1.40	395.00	\$553.00
07/26/13	116	PNT	Continued work on Schedules for the U. S. Trustee.	1.60	395.00	\$632.00
			Totals for: Newton, Paul	111.40	395.00	\$44,003.00

Hauer, Richard**Managing Director**

Date	Task	Tmhp	Description	Hours Worked	Rate	Fees Billed
07/11/13	077	RH	Began preparing Cash Flow template to be used for reporting purposes.	2.00	475.00	\$950.00
07/11/13	077	RH	Worked with Company to finalize draft Income statement and budget.	2.10	475.00	\$997.50
07/11/13	098	RH	Meeting with J. McPherson to discuss cash flow and account structure.	0.90	475.00	\$427.50
07/11/13	116	RH	Reviewed DIP agreement and other legal documents.	2.00	475.00	\$950.00
07/11/13	116	RH	Reviewed documents necessary to submit to the US Trustee including 7 Day Package, Statement of Financial Affairs, Monthly Operating Reports and Declaration.	1.30	475.00	\$617.50
07/11/13	148	RH	Travel from Harrisonburg VA to Princeton NJ.	5.50	0.00	\$0.00
07/12/13	047	RH	Worked with Debtor (M. Fox, J. McPherson) to prepare payroll and material purchases.	0.30	475.00	\$142.50
07/12/13	047	RH	Confirmed new accounts opened at CitiBank.	0.40	475.00	\$190.00
07/12/13	047	RH	Reviewed and included operating expense changes received from J. McPherson, including changes to G&A salaries and sales volume.	0.80	475.00	\$380.00
07/12/13	077	RH	Worked with Debtor (J. McPherson, B. Edmiston) re; Revenue projections for 13 Week Cash Flow.	1.40	475.00	\$665.00

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07/12/13	098	RH	Conference call with the Debtor, Stutman, and ESBA to discuss filing deadlines and responsibilities.	0.90	475.00	\$427.50
07/12/13	099	RH	Call with J. McPherson re: opening up separate books and bank accounts for both Debtor entities.	0.70	475.00	\$332.50
07/14/13	047	RH	Updated and added information to 13 week cash flow.	0.50	475.00	\$237.50
07/14/13	050	RH	Seven day schedules and opening of new bank accounts.	0.50	475.00	\$237.50
07/14/13	051	RH	Read and responded to emails from M. Fox re: IP.	0.50	475.00	\$237.50
07/14/13	148	RH	Travel from Princeton NJ - Harrisonburg VA.	5.50	0.00	\$0.00
07/15/13	045	RH	At the Plant - reviewed payroll records of hourly employees. Benefits, employee, and Pension plans.	1.10	475.00	\$522.50
07/15/13	047	RH	At the Plant - Met with J. McPherson, reviewed ledger structure, need to open new books.	1.10	475.00	\$522.50
07/15/13	051	RH	At the Plant - Call with the lender regarding three new bank accounts. Call with CitiBank. Coordinated with M. Fox and J. McPherson, company management team.	1.50	475.00	\$712.50
07/15/13	051	RH	At the Plant - obtained funding for Payroll, ink, other materials and supplies.	1.20	475.00	\$570.00
07/15/13	051	RH	At the Plant, reviewed and monitored.	0.20	475.00	\$95.00
07/15/13	062	RH	At the plant, attended telephonically court hearing 13-BK-27689 Court Conference ID# : 5720324.	1.20	475.00	\$570.00
07/15/13	098	RH	Series of meetings with company personnel John, Pam, Darryl, Ken, and others re: accounting systems, invoicing, bankruptcy procedures,	2.80	475.00	\$1,330.00
07/15/13	098	RH	At the Plant - met with certain production supervisors and attending weekly production meeting.	1.50	475.00	\$712.50
07/15/13	116	RH	Worked with J. McPherson and counsel to pull together data and reports.	2.00	475.00	\$950.00
07/16/13	045	RH	At the Company - Health Care Insurance, started looking into alternatives for Anthem. Contacted Roger Higin of Digital Benefits. Benefits, employee, and Pension plans.	0.80	475.00	\$380.00
07/16/13	050	RH	At the Plant - review with management and professionals disbursement approval process and projected disbursements.	1.10	475.00	\$522.50
07/16/13	062	RH	At the Company - Read and review DIP Motion. Worked with Management and Lender to finalize.	1.40	475.00	\$665.00
07/16/13	077	RH	Worked with company personnel John, Pam and Mark to obtain funding for Payroll and materials including Ink and Alcohol.	1.60	475.00	\$760.00
07/16/13	098	RH	At the Plant - Multiple meetings with Company representatives regarding Pulse Heater needs and installation.	2.00	475.00	\$950.00
07/16/13	098	RH	At the Company - Call with Debtors counsel regarding 13 week cash flow, 7 day package, and DIP accounts. Additional discussion afterwards with the management team re: roles and responsibilities.	0.80	475.00	\$380.00
07/16/13	098	RH	At the Company - Attended multiple meetings with	2.70	475.00	\$1,282.50

Client: ColorRep, Inc.

			management team, and DIP Lender regarding operations, cash flow needs, 13 week budget. Work on and prepare budgets and projections.			
07/17/13	047	RH	At the Company - continue working on cash flow, prepared certain analytics. .	1.30	475.00	\$617.50
07/17/13	051	RH	Worked with company personnel to complete a variety of open issues including: management email systems, new Citibank accounts, new G/L's.	1.30	475.00	\$617.50
07/17/13	077	RH	Prepared due diligence are certain numbers based on the company's history. Revised and update the 13 week cash flow report.	1.90	475.00	\$902.50
07/17/13	098	RH	Attended a Team meeting with all of the supervisors to discuss the bankruptcy and our roles and responsibilities.	1.10	475.00	\$522.50
07/17/13	098	RH	At the Company - Meetings/calls with Counsel, HR and Accounting personnel re: how certain insurance policies are broken down between the 2 Debtor entities and which employees are on which books.	1.10	475.00	\$522.50
07/17/13	110	RH	Obtained information of one fee owned property and two leaseholds. Review with Management the options to assume or reject leases and need to be current post petition.	1.80	475.00	\$855.00
07/17/13	116	RH	At the Company - assisted J. McPherson with various aspects of the 7 day package. Prepared schedules and data.	2.70	475.00	\$1,282.50
07/17/13	116	RH	At the Plant - Work on Employee Benefits Questionnaires for 7 day package.	0.40	475.00	\$190.00
07/18/13	047	RH	At the Company - updated model to include Payroll tab, with all salaried and hourly employees, reconciled 401K contribution, started receipts and disbursements tab in order to tract current results.	2.30	475.00	\$1,092.50
07/18/13	077	RH	Meetings/Calls with lender re: cash flow assumptions, sales analysis and operating expense allocations.	1.10	475.00	\$522.50
07/18/13	098	RH	At the Company - Participated in meetings with sales team in order to understand sales approach, backlog and future projections.	2.10	475.00	\$997.50
07/18/13	098	RH	Various meetings with company personnel M. Fox, B. Dean and B. Eronstein re: priority of maintenance issues and the status of current projects.	0.60	475.00	\$285.00
07/18/13	099	RH	At the Company - Review changes to cash flow projections.	0.40	475.00	\$190.00
07/18/13	103	RH	Summarize and prepare analysis for wire transfers since the filing date. Entered data into 13 Week CF model. Attend multiple management meetings regarding projections. Updated 13 week cash flow model.	3.30	475.00	\$1,567.50
07/19/13	047	RH	Discussed and reviewed production priority list.	0.40	475.00	\$190.00
07/19/13	051	RH	Multiple meetings with company personnel J. McPherson and M. Fox re: cash requests, disbursements. Helped manage cash to avoid production delays and prepare summary and analysis.	1.80	475.00	\$855.00

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07/19/13	051	RH	Confirmed that pre-petition bank accounts were closed. Confirmed payroll and other essential operating expenses were wired.	0.20	475.00	\$95.00
07/19/13	077	RH	Accumulated daily results for receipts, disbursements and production. Updated Actual model.	0.60	475.00	\$285.00
07/19/13	098	RH	At the Plant - Attended Production meeting.	0.80	475.00	\$380.00
07/19/13	098	RH	Numerous calls and emails with Citibank re: opening up new accounts.	0.80	475.00	\$380.00
07/19/13	098	RH	At the Company - Meetings with sales team re: customer relationships, sales projections and timing and overall business model.	1.40	475.00	\$665.00
07/19/13	148	RH	Travel from Harrisonburg VA to Princeton, NJ.	5.50	0.00	\$0.00
07/21/13	077	RH	Updated 13 Week Cash Flow - adjusted expenses for Fox Consulting, added Vendor Names, and proposed new Equipment purchases and performed profit margin reasonableness test based on historical ratios.	2.20	475.00	\$1,045.00
07/21/13	077	RH	Work on 13 Week Cash Flow, 7 Day Package, disbursements and receipts since 7/11/2013.	1.20	475.00	\$570.00
07/21/13	099	RH	Call with M. Fox re: 7 day package and 13 Week Cash Flow. Reviewed certain expense projections.	0.90	475.00	\$427.50
07/22/13	047	RH	Calls and emails with company personnel re: various production issues.	0.60	475.00	\$285.00
07/22/13	047	RH	Modeling Actual to Budget , updated assumptions pages, added ability to review various weeks at a time, added and reconciled actual disbursements to specific expense categories.	2.50	475.00	\$1,187.50
07/22/13	051	RH	Worked with M. Fox and J. McPherson to prepare fund request and to make critical disbursements prior to the end of the day. Resolved certain miscommunications between M. Fox and Debtors Counsel.	1.50	475.00	\$712.50
07/22/13	062	RH	Meet with M. Fox re: status of 7 day package, RE appraisal, Union Bank and 13 Week Cash Flow.	0.80	475.00	\$380.00
07/22/13	077	RH	Work on 13 week cash flow, added assumptions page, formatted for presentation and printing, added additional disbursements and receipts.	1.40	475.00	\$665.00
07/22/13	090	RH	Calls with J. McPherson re: his status at the company and his responsibilities for the 7 day package.	1.00	475.00	\$475.00
07/22/13	116	RH	Reviewed status of 7 day packages including - List of Insiders, Real Estate, Inventory, Payroll Taxes, Licenses, and Trust Agreement.	0.90	475.00	\$427.50
07/23/13	045	RH	Benefits, employee, and Pension plans spoke with Beverly Smiley re: outstanding insurance issues.	0.40	475.00	\$190.00
07/23/13	047	RH	Prepared statements from the 13 week cash flow indicating operating cash flow before restructuring expenses.	1.20	475.00	\$570.00
07/23/13	051	RH	Worked with J. McPherson to reconcile and close out Union Bank accounts. Lock Box not closed.	0.80	475.00	\$380.00
07/23/13	098	RH	Various call throughout the day with the Lender re: funding, budgeting, reporting and operational issues.	1.30	475.00	\$617.50
07/23/13	098	RH	Call with M. Fox re: 13 Week Cash Flow, discuss	0.70	475.00	\$332.50

Client: ColorRep, Inc.

future revenue stream and payroll.

07/23/13	098	RH	Call with Mark Fox and Paul Newton re: a variety of operating and cash flow issues.	0.90	475.00	\$427.50
07/23/13	098	RH	Two calls with company personnel re: tax returns, local accountants and medical insurance.	0.80	475.00	\$380.00
07/23/13	141	RH	Reconciled payroll expense to list of employees and noted various exceptions including outside contractors for Web Design, Environmental, and terminated employees.	1.10	475.00	\$522.50
07/24/13	047	RH	Preparation for conference call with DIP agent.	0.20	475.00	\$95.00
07/24/13	050	RH	Conference call with the Board and Debtors counsel to discuss status of schedules, insurance, 13 Week Cash flow and responsibilities.	1.20	475.00	\$570.00
07/24/13	051	RH	Communicated and coordinated with Citibank re: account access.	0.40	475.00	\$190.00
07/24/13	098	RH	Assess budget line items and funding requests.	0.80	475.00	\$380.00
07/24/13	098	RH	Conference call with representatives of the Lender to review the 13 Week Cash flow, including Pricing assumptions including the potential for future price increases, pipeline and backlog, and certain G&A and Payroll expense items.	1.10	475.00	\$522.50
07/24/13	103	RH	Finalized and completed version of the 13 week cash flow, included analyses of payroll, disbursements, receipts, and revenues.	1.20	475.00	\$570.00
07/25/13	050	RH	Two calls with P. Newton (ESBA) re: production runs, effect of shorter run, projected deliveries.	0.50	475.00	\$237.50
07/25/13	051	RH	Reviewed Funding requests, cash disbursements and receipts for the day.	0.60	475.00	\$285.00
07/25/13	077	RH	Updated 13 Week Cash flow, and corresponding presentation based on comments from the Lender, Board and Management Team.	1.50	475.00	\$712.50
07/25/13	098	RH	Conference call with A. Hurt, D. Fuller and personnel re: vendor relationships, revenue projections and backlog.	1.20	475.00	\$570.00
07/26/13	047	RH	Call with B. Edmenston (Debtor) re: reporting capabilities for sales order and production schedule.	0.60	475.00	\$285.00
07/26/13	077	RH	Call with P. Kircofe re: disbursement needs and funding requests.	0.40	475.00	\$190.00
07/26/13	077	RH	Continue working on 13 Week Cash.	0.70	475.00	\$332.50
07/26/13	098	RH	Attended meetings at the NY Office with B. Julian. Reviewed sales projections, reporting capabilities, and Sales teams individual responsibilities.	2.40	475.00	\$1,140.00
07/26/13	098	RH	Conversations with lender and review, discussed sales group, possible closing of NY office, and thoughts about closing certain business lines.	1.60	475.00	\$760.00
07/26/13	098	RH	Status call with lender and company.	0.50	475.00	\$237.50
07/28/13	047	RH	Reviewed master schedule prepared by B. Edminson, noting back log, customer distribution, and future timing of revenues.	0.40	475.00	\$190.00

Client: ColorRep, Inc.

07/28/13	077	RH	Reconciled cash and evaluated outstanding accounts receivables.	2.00	475.00	\$950.00
07/28/13	077	RH	Prepared 13 Week Cash Flow 6x, included changes suggest by Lender, Board and Management team.	1.90	475.00	\$902.50
07/29/13	047	RH	Calls/Emails with K. Wilkerson re: access to systems.	0.50	475.00	\$237.50
07/29/13	051	RH	Communication with Juan Saenz Citibank re: account access.	0.80	475.00	\$380.00
07/29/13	077	RH	Update to Budget/Actual model. Updated budgeting items based on meetings with Counsel, the Company and DIP Lender. Added formulas to calculate weekly and cumulative actual to budget.	2.80	475.00	\$1,330.00
07/29/13	078	RH	Reconciliation of Mesirow funding.	0.30	475.00	\$142.50
07/29/13	098	RH	Calls, emails with Bonnie Julian.	0.40	475.00	\$190.00
07/29/13	098	RH	Calls/Emails with B. Etmenson re: daily production and scheduling.	0.50	475.00	\$237.50
07/29/13	098	RH	Various calls and emails with R. Katz and P. Newton (ESBA) and A. Hurt.	1.30	475.00	\$617.50
07/29/13	103	RH	Accumulated Invoice data for Budget to Actual reporting.	1.10	475.00	\$522.50
07/29/13	110	RH	Various emails re: Outstanding leases on storage units.	0.40	475.00	\$190.00
07/30/13	047	RH	Worked with J. McPherson re: coding of disbursements. Reconciled two different list of disbursements.	1.20	475.00	\$570.00
07/30/13	047	RH	Updated 13 Week Cash Flow model, added actual data, fixed variance column, updated certain budget categories, and showed priority production for upcoming week.	3.00	475.00	\$1,425.00
07/30/13	098	RH	Various calls/emails re: post petition payments to Fox Consulting and the potential of hiring Great American as the IB.	0.40	475.00	\$190.00
07/30/13	098	RH	Meeting/Call with UST.	1.00	475.00	\$475.00
07/30/13	098	RH	Call with A. Hurt re: 13 Week Cash Flow.	0.90	475.00	\$427.50
07/30/13	148	RH	Travel from Princeton, NJ to Harrisonberg VA.	5.50	0.00	\$0.00
07/31/13	051	RH	Communicated with Citibank and J. McPherson re: change is access. ESBA to have full access, Mark Fox not to have any access.	0.60	475.00	\$285.00
07/31/13	081	RH	Various meetings and calls regarding outstanding payroll taxes. Resolved issues with Custom Payroll so that they would facilitate payments to the various jurisdictions.	2.00	475.00	\$950.00
07/31/13	090	RH	Multiple meetings with the Lender, Mark Fox, Bill Boydd, J. McPherson and many other members of the management team re: the plan to bring the company back to profitability.	1.30	475.00	\$617.50
07/31/13	090	RH	Reconciled Payroll, met with Beverly Smiley and Pam Kiracofe to discuss payroll and finding.	1.00	475.00	\$475.00
07/31/13	098	RH	At the Plant - Multiple meetings with J. McPherson and P. Kiracofe regarding disbursements, cash management, and pre-petition debt.	1.40	475.00	\$665.00

Client: ColorRep, Inc.

07/31/13	098	RH	Call with Debtors counsel and representatives of ESBA re: required statements and schedules. Planned timing and responsibilities.	0.80	475.00	\$380.00
07/31/13	098	RH	Call with A. Hurt and D. Fuller re: final DIP Approved budget; review budget and run sensitivity.	1.00	475.00	\$475.00
07/31/13	099	RH	Review status of outstanding issues including the tension amongst employees.	0.50	475.00	\$237.50
Totals for: Hauer, Richard				149.30	405.01	\$60,467.50

Katz, Robert**Managing Director**

Date	Task	Tmkp	Description	Hours Worked	Rate	Fees Billed
07/11/13	047	RK	- Plant tour; and review operations.	0.90	525.00	\$472.50
07/11/13	077	RK	Review first day motions; analyze forecast; review hourly payroll expenditures; and prepare purchasing program.	0.90	525.00	\$472.50
07/11/13	099	RK	Meet with Controller, Interim Pres to discuss next steps; filing; payroll and first day orders and motions.	0.90	525.00	\$472.50
07/11/13	099	RK	Meeting with employees in person and on video conference to bring them up to date on the filing and expectations.	1.10	500.00	\$550.00
07/11/13	148	RK	Travel from Harrisonburg VA to Wilmington DE.	2.90	0.00	\$0.00
07/12/13	046	RK	Call with the Board Members and Stakeholders re filing answer their questions and discuss next steps.	1.20	525.00	\$630.00
07/12/13	099	RK	Multiple calls with the plant and stakeholders discuss and reviewing filing and next step.	0.70	525.00	\$367.50
07/15/13	062	RK	Prepare for Telephonic Bankruptcy Court Hearing later today.	0.90	525.00	\$472.50
07/15/13	062	RK	Prepare for and attend telephonically first day hearings for ColorBK.	1.90	525.00	\$997.50
07/16/13	045	RK	Benefits, employee, and Pension plans - Negotiate with Anthem BC/BS to resolve health insurance issues; discussions with interim CEO regarding next steps.	0.70	525.00	\$367.50
07/16/13	077	RK	Continue to work on the rolling cash flow forecast and to review the requirements of the DIP motion and funding.	0.90	525.00	\$472.50
07/17/13	077	RK	Work on the inputs and the cash flow forecast; for presentation next week to lender and B of D.	0.80	525.00	\$420.00
07/17/13	099	RK	Meeting with Company employees and lenders to review Chapter 11 process; issues surrounding insurance; funding and the employee concerns.	1.40	525.00	\$735.00
07/17/13	116	RK	Work on 7 day schedules package and filing.	0.90	525.00	\$472.50
07/17/13	141	RK	Continue meeting with Company personnel; handle their concerns and questions regarding issues surrounding the filing; benefits; next steps; will they have a job; how will this effect their pay and the Company.	0.90	525.00	\$472.50
07/17/13	148	RK	Travel to Harrionburg VA from Maple Glen PA.	4.00	0.00	\$0.00
07/18/13	045	RK	Insurance issues work with MF to obtain coverage; going forward and the back periods where coverage had lapsed Benefits, employee, and Pension plans.	0.80	525.00	\$420.00

Client: ColorRep, Inc.

07/18/13	046	RK	Conference call with Board of Director Members - update discussions and discuss coming weeks; next steps and personnel issues and concerns.	1.30	525.00	\$682.50
07/18/13	047	RK	Prepare outline for strategy in dealing with order signing being delayed; health care concerns; strategy for material purchases and insurance coverage.	0.90	525.00	\$472.50
07/18/13	077	RK	Review funding request; employee and personnel concerns including funding; payroll and purchasing of supplies and its impact on the Company.	0.80	525.00	\$420.00
07/18/13	078	RK	Multiple follow up conversations and discussions with client; lender and counsel regarding - DIP orders and delays in Court Hearing and approvals needed.	0.90	525.00	\$472.50
07/18/13	148	RK	Travel from Harrisonburg VA to Philadelphia.	4.00	0.00	\$0.00
07/19/13	045	RK	Prepare and review Anthem BC/BS agreement; run sensitivity in CF model to determine Company's ability to pay.	1.30	525.00	\$682.50
07/19/13	045	RK	Continue to work on Anthem BC/BS retroactive and health agreement.	0.70	525.00	\$367.50
07/19/13	077	RK	Work on rolling statement of cash flows including analyzing expenses and working on assumptions.	1.10	525.00	\$577.50
07/19/13	077	RK	Continue working on and review rolling cash flow forecast; compare to DIP budget and begin to develop b to a comparison.	0.80	525.00	\$420.00
07/19/13	078	RK	Multiple discussions with the lender regarding DIP financing motion; status in the Court and related concerns.	0.80	525.00	\$420.00
07/19/13	099	RK	Multiple discussions with client-review concerns over certain B of D members and their positions.	0.90	525.00	\$472.50
07/19/13	116	RK	Work on 7 day schedules - packages of information.	0.90	525.00	\$472.50
07/22/13	045	RK	Benefits - Work on resolving the Anthem & Benefits issues.	0.90	525.00	\$472.50
07/22/13	078	RK	Begin to review corporate finance proposals.	0.80	525.00	\$420.00
07/22/13	099	RK	Update conversations with certain employees regarding progress of benefit; insurance and shipments.	0.90	525.00	\$472.50
07/22/13	116	RK	Work on the statements and schedules for Court and Trustees office.	1.20	525.00	\$630.00
07/23/13	077	RK	Continue working on rolling cash flow forecast and assumptions.	1.40	525.00	\$735.00
07/23/13	077	RK	Review sales and expense assumptions.	0.80	525.00	\$420.00
07/23/13	077	RK	Prepare assumptions for the rolling cash flow forecast; run trend analysis for sensitivities; review assumptions with the lender.	1.10	525.00	\$577.50
07/24/13	051	RK	Review funding request for payroll and related items; work on statement reconciliations.	1.10	525.00	\$577.50
07/24/13	077	RK	Prepare rolling cash flow forecast and detail assumptions.	1.10	525.00	\$577.50
07/25/13	077	RK	Continue to work on DIP budget and rolling cash flow forecast.	0.90	525.00	\$472.50

Client: ColorRep, Inc.

07/25/13	077	RK	Conference call with potential investor review and discuss budgets; also continue working on cash collateral budget and rolling 13 week forecast.	1.40	525.00	\$735.00
07/26/13	046	RK	Conference call with Board Of Directors to provide general update and status report.	1.10	525.00	\$577.50
07/26/13	077	RK	Multiple discussions with lender and other stakeholders prepare DIP budget for week of 8/3 and transmit to stakeholders.	1.10	525.00	\$577.50
07/29/13	077	RK	Work on cash flow forecast; and prepare for final hearing later in the week ; prepare for sale motion as well.	0.90	525.00	\$472.50
07/30/13	062	RK	Prepare for attend initial debtor interview with trustee and counsel; prepare follow up outline notes as well.	1.40	525.00	\$735.00
07/30/13	078	RK	Multiple conversation with IB candidates; discuss proposals opportunities and outline next steps.	0.90	525.00	\$472.50
07/30/13	078	RK	Work on preparing a list of potential buyers; also prepare write up and follow up re conversation with MT potential contacts.	1.60	525.00	\$840.00
07/31/13	062	RK	Participate on Court Call re DIP hearing; sale motion and Final DIP hearing.	1.20	525.00	\$630.00
Totals for: Katz, Robert				56.00	422.32	\$23,650.00

Abdulayev, Sabir**Consultant**

Date	Task	Tmhp	Description	Hours Worked	Rate	Fees Billed
07/12/13	050	SA	Print various guide lines and requirements, schedules and statements.	0.10	225.00	\$22.50
07/16/13	050	SA	Print, review and file D&O policy.	0.10	225.00	\$22.50
Totals for: Abdulayev, Sabir				0.20	225.00	\$45.00
TOTALS :				316.90		\$128,165.50

ColorRep, Inc.
Executive Sounding Board Associates Inc.
Summary of Time Incurred by Project

07/10/13 - 07/31/13

<u>Project Description</u>	<u>Task Codes</u>	<u>Hours</u>	<u>Fees</u>
Benefits	045	9.20	\$4,390.00
Board Of Directors- BOD	046	3.60	\$1,890.00
Business Analysis & Planning	047	30.70	\$13,744.50
Case Administration	050	3.50	\$1,612.50
Cash Management	051	12.50	\$5,992.50
Ct Hearing & Preparation	062	21.90	\$9,624.50
Financial Strmts & Projections	077	43.80	\$21,105.00
Financing	078	5.70	\$2,925.50
Tax Issues/Consulting	081	2.00	\$950.00
Personnel issues	090	3.30	\$1,567.50
Meeting - external	098	44.50	\$20,657.50
Meetings	099	25.10	\$10,854.00
Operational Budgets	103	5.60	\$2,660.00
Real Estate Data/Valuation	110	2.20	\$1,045.00
Schedules - Bankruptcy	116	47.20	\$19,778.00
Manufacturing	122	18.20	\$7,189.00
Personnel	141	5.00	\$2,180.00
Travel time -client	148	32.90	\$0.00
	Totals	<u>316.90</u>	<u>\$128,165.50</u>

Client: ColorRep, Inc.

ColorRep, Inc.

Executive Sounding Board Associates Inc.
Summary of Time Incurred by Professional Fees by Month

08/01/13 - 08/31/13

Name of Professional Person	Position of the Applicant	Hourly Billing Rate (including changes)	Hours	Fees
Newton, Paul	Director	395.00	52.80	\$20,856.00
Hauer, Richard	Managing Director	386.34	242.70	\$93,765.00
Katz, Robert	Managing Director	477.62	55.40	\$26,460.00
Ekelund, Susan	Administrative	205.00	0.50	\$102.50
Total Hours and Fees			<u>351.40</u>	<u>\$141,183.50</u>
Blended Rate		\$401.77		

Client: ColorRep, Inc.

Newton, Paul

Director

Date	Task	Tmkp	Description	Hours Worked	Rate	Fees Billed
08/05/13	099	PNT	Meeting with D. Fuller re: the current situation in leadership and operation of company.	0.40	395.00	\$158.00
08/05/13	099	PNT	Conference call on a wide range of subjects including management, Board, lender and potential buyer of Transprint, as well as attorneys.	1.70	395.00	\$671.50
08/05/13	116	PNT	Review notes and work done re: beginning preparation of schedules for the court.	1.40	395.00	\$553.00
08/05/13	116	PNT	Begin work on preparation of the Statement of Financial Affairs including review of the forms and requirements.	2.30	395.00	\$908.50
08/06/13	116	PNT	Meeting with the controller to review the Statement of Financial Affairs ("Statement") form as a starting point for developing the information required to complete it.	0.60	395.00	\$237.00
08/06/13	116	PNT	Begin work on preparation of the statement including detailed review of the forms and requirements.	1.40	395.00	\$553.00
08/06/13	116	PNT	Meeting with controller to create an initial plan for completing the Statement of Financial Affairs.	1.20	395.00	\$474.00
08/06/13	116	PNT	Continue gathering necessary information and working on completing the statement of financial affairs.	1.50	395.00	\$592.50
08/06/13	116	PNT	Review two key documents from controller needed for development of the statement.	1.20	395.00	\$474.00
08/06/13	116	PNT	Discussions with M. Neumeister, attorney for the debtor, re: preparation of the statement and completion of the schedules.	1.10	395.00	\$434.50
08/06/13	116	PNT	Ongoing meetings and discussions with controller as well as phone discussions with attorney to provide and exchange information re various aspects of the process of completing the statement.	3.50	395.00	\$1,382.50
08/06/13	116	PNT	Review status of work to prepare for tomorrow.	0.50	395.00	\$197.50
08/07/13	090	PNT	Meetings with human resources manager re: backpay documentation including for the 180 day period initially, and per discussion with M. Neumeister the entire length of time in which employees were not paid.	0.80	395.00	\$316.00
08/07/13	099	PNT	Meeting of key employees, D. Fuller, R. Hauer, and including B. Boyd to review and discuss a planned organizational structure for proceeding with operations that included some input from me on various operational areas.	1.40	395.00	\$553.00
08/07/13	116	PNT	Continue ongoing meetings with controller and senior accountant to gather and assimilate information needed to complete the statement.	3.30	395.00	\$1,303.50
08/07/13	116	PNT	Discussions and exchange of information with M.	2.20	395.00	\$869.00

Neumeister on the status of completion of the schedules, including discussion of which schedules his law firm has information relevant to a particular schedule.

08/07/13	116	PNT	Review information from M. Neumeister re: Schedule B sub-schedules and begin reviewing and gathering information needed to complete the sub-schedules.	0.90	395.00	\$355.50
08/07/13	116	PNT	Continue working with controller and M. Neumeister with meetings, emails, and phone conversations for work on both the statement and the schedules.	2.40	395.00	\$948.00
08/08/13	090	PNT	Additional follow up with human resources re: backpay questions as well as other issues involving resolution of dental insurance coverage.	0.70	395.00	\$276.50
08/08/13	116	PNT	Continue working with the controller and senior accountant re: remaining items of the statement and parts of the schedules including a number of Sub B schedules as well as completion of an update to accounts payable through the filing date.	2.60	395.00	\$1,027.00
08/08/13	116	PNT	Work with M. Neumeister re: completion of portions of the statement and schedules in which his firm has relevant information and debtor provides information.	1.60	395.00	\$632.00
08/08/13	116	PNT	Continue working with Controller and M. Neumeister to development needed information for the statement and schedules.	3.30	395.00	\$1,303.50
08/08/13	116	PNT	Investigate status of patents and trade marks through analysis of available documents and discussions with B. Boyd and B. Julian.	1.40	395.00	\$553.00
08/08/13	116	PNT	Continue work with controller and M. Neumeister to develop/obtain needed information on aspects of the statement as well needed details required for completion particularly of the Sub B schedules.	2.50	395.00	\$987.50
08/09/13	086	PNT	Follow up on insurance issues and other related items.	0.60	395.00	\$237.00
08/09/13	090	PNT	Discussion with human resources re: negative amounts owed to employees re: the back pay account. Discussions with M. Neumeister re: this issue which resulted from some individuals receiving two weekly paychecks during one transition period for how payroll was handled.	0.60	395.00	\$237.00
08/09/13	116	PNT	Work with controller on items to complete statement as well needed input for information needed to complete the schedules. Follow up with senior accountant re work to update accounts receivable to the filing date.	2.80	395.00	\$1,106.00
08/09/13	116	PNT	Continue work with controller and M. Neumeister to continue to complete sections of the statement and provide needed input to finalize the schedules including the Sub B schedules.	3.70	395.00	\$1,461.50
08/09/13	116	PNT	Phone conversations with B Julien re: licenses of patterns to customers as well as licenses we pay for access to information relevant to debtor's ability to make and sell products.	0.80	395.00	\$316.00
08/09/13	116	PNT	Continuing work with the controller, senior accountant, and M. Neumeister to complete the statement and the schedules for filing.	4.40	395.00	\$1,738.00

Totals for: Newton, Paul 52.80 395.00 \$20,856.00

Hauer, Richard Managing Director

Date	Task	Tmkp	Description	Hours Worked	Rate	Fees Billed
08/01/13	051	RH	Multiple calls and emails to representatives of Citibank re: removing M. Fox access.	0.50	475.00	\$237.50
08/01/13	051	RH	At Debtor - Worked with J. McPherson, reconciled cash and planned for distribution re: payroll taxes.	0.90	475.00	\$427.50
08/01/13	051	RH	At the Company - worked with P. Kiracofe and J. McPherson to approve invoices and disbursements consistent with funding request.	0.70	475.00	\$332.50
08/01/13	061	RH	Written correspondence- drafts, review, etc re: outstanding liens filed by IRS.	0.30	475.00	\$142.50
08/01/13	061	RH	At Debtor - Correspondence with B. Julian re: issues with customer and payments promised by M. Fox; written correspondence- drafts, review, etc.	0.60	475.00	\$285.00
08/01/13	061	RH	At Debtor - meetings with J. McPherson and P. Kirkofe, and representatives of Union Bank re: overdrawn account. Written correspondence- drafts, review, etc.	0.90	475.00	\$427.50
08/01/13	086	RH	Insurance issues - general, confirming status of dental insurance and communicating with employees.	1.30	475.00	\$617.50
08/01/13	090	RH	Multiple conversations with J. Mcpherson re: personnel issues.	0.70	475.00	\$332.50
08/01/13	098	RH	At the Plant - Interim CEO walked out of the company. Numerous meetings to stabilize the work force and make sure the company was moving forward business as usual. Met with management team and floor supervisors.	3.00	475.00	\$1,425.00
08/01/13	099	RH	At Debtor - Prepared, attended and participated in "Town Hall" meeting to discuss the departure of M Fox.	1.40	475.00	\$665.00
08/01/13	104	RH	Updated operation budget for DIP purposes.	1.10	475.00	\$522.50
08/01/13	104	RH	At Debtor - Prepared backup support for Funding request.	0.80	475.00	\$380.00
08/01/13	104	RH	Reviewed daily invoicing schedule.	0.20	475.00	\$95.00
08/02/13	047	RH	Worked on statement and schedules requirements.	1.10	475.00	\$522.50
08/02/13	047	RH	At Debtor - Various conversations and research regarding NYC lease, deposit and future payments.	0.60	475.00	\$285.00
08/02/13	051	RH	At Debtor - Correspondence with J. McPherson and representatives of Citibank re: authorized signers and change in account status.	0.60	475.00	\$285.00
08/02/13	051	RH	At Debtor - Conf. Call with A. Hirt re: funding request and other outstanding issues.	0.70	475.00	\$332.50
08/02/13	061	RH	At Debtor - Customer issues. Correspondence with P. Kirkoffe and B. Julian re: over payment by Mil Decorative.	0.60	475.00	\$285.00
08/02/13	061	RH	Prepared status report of operations, funding requests and disbursements for the lender and board of directors.	0.70	475.00	\$332.50

Client: ColorRep, Inc.

08/02/13	086	RH	At Debtor - Correspondence with re: Anthem payment; met with J. McPherson and B. Smiley to arrange for payment.	0.70	475.00	\$332.50
08/02/13	090	RH	At Debtor - met with J. McPherson re: missed payroll pre-petition. Received schedule of "back pay" for review.	0.70	475.00	\$332.50
08/02/13	090	RH	Prepared and distributed a status memo, and action plan to all employees based on the discussion from the prior days "Town Hall" meeting.	0.80	475.00	\$380.00
08/02/13	122	RH	At Debtor - Managed the process of changing locks and addressing the issues of a disgruntled ex-employees. Met with maintenance supervisor, and others. Had conversations with other professionals in the case regarding the issue.	1.30	475.00	\$617.50
08/02/13	122	RH	Meeting with P. Herrell re: outstanding environmental issues and need for additional funding.	0.90	475.00	\$427.50
08/02/13	122	RH	At Debtor - two meetings with B. Edminston re: plant issues, funding requests for needed materials and supplies and projected schedule for the following week.	1.10	475.00	\$522.50
08/02/13	148	RH	Travel from Debtor to Princeton NJ.	5.60	0.00	\$0.00
08/04/13	047	RH	Updated results to budget to actual model.	0.90	475.00	\$427.50
08/04/13	047	RH	Read and reviewed Great American proposal.	0.60	475.00	\$285.00
08/04/13	090	RH	Numerous calls/emails with A. Hirt and J. McPherson re: increase in salary for J. McPherson.	0.70	475.00	\$332.50
08/04/13	098	RH	Calls with A. Hirt and D. Fuller re: production results and plan for upcoming week.	0.40	475.00	\$190.00
08/04/13	099	RH	Review status and planning for the upcoming week.	0.90	475.00	\$427.50
08/05/13	051	RH	Multiple calls/email re: cash usage and disbursements to NY landlord, BMC and insurance premiums.	1.20	475.00	\$570.00
08/05/13	051	RH	Communicated with Citibank re: account change status of signatures.	0.40	475.00	\$190.00
08/05/13	090	RH	Communicated with A. Hirt and B. Smiley re: new hires, personnel issues, and payroll changes.	0.40	475.00	\$190.00
08/05/13	090	RH	Worked with Beverly Smiley to reconcile payroll and make appropriate disbursements.	0.40	475.00	\$190.00
08/05/13	098	RH	Conference call with H. Bordwin (Great American Group) re: opportunity to market the Company in a 363 Sale.	0.90	475.00	\$427.50
08/05/13	098	RH	Conference call with DIP Lendor, DIP lender professionals, debtor and debtor professionals re: DIP budget.	0.80	475.00	\$380.00
08/05/13	098	RH	Call with A. Hirt and D. Fuller re: Citibank status, org. chart, , UPS and other outstanding invoices, and DIP terms.	0.50	475.00	\$237.50
08/05/13	113	RH	Conference call with representatives of Stutman re: status of the schedules.	0.80	475.00	\$380.00
08/06/13	051	RH	Meeting with P. Kiracofe re: outstanding operating expenses and funding request.	0.70	475.00	\$332.50

Client: ColorRep, Inc.

08/06/13	077	RH	Meetings and Calls with R. Katz, A. Hirt and D. Fuller re: Meserole funding, and DIP Budget including funding for data room, patent attorney and other professional fees.	1.10	475.00	\$522.50
08/06/13	086	RH	At Debtor - call with representatives from Rutherford Insurance re: status of case, and pre and post petition amounts due.	0.40	475.00	\$190.00
08/06/13	090	RH	At Debtor - Meeting with J. McPherson and A. Hirt re: John's role and salary.	0.90	475.00	\$427.50
08/06/13	090	RH	At Debtor - meeting with B. Edminston re: need for help in Engraving and Fork Lift Operators.	0.70	475.00	\$332.50
08/06/13	098	RH	Attended meeting with D. Fuller and all company supervisors to discuss org chart, roles and responsibilities.	1.00	475.00	\$475.00
08/06/13	104	RH	At Debtor - started invoicing and receipts sections of Operating statement model.	2.10	475.00	\$997.50
08/06/13	122	RH	At Debtor - met with P. Harrell re: Phase I for the plant. Looked through the report.	0.70	475.00	\$332.50
08/06/13	148	RH	Travel to Debtor - Princeton NJ - Harrisonburg VA.	5.60	0.00	\$0.00
08/07/13	047	RH	Prepare business analysis to review sensitivities for production and administration.	1.20	475.00	\$570.00
08/07/13	051	RH	At Debtor - Multiple calls with various representatives of Citibank regarding accounts and authorized signatures.	0.70	475.00	\$332.50
08/07/13	051	RH	At Debtor - worked with J. McPherson to prepare Funding request and backup.	1.10	475.00	\$522.50
08/07/13	077	RH	Reviewed yesterday's receipts and disbursements.	0.30	475.00	\$142.50
08/07/13	077	RH	At Debtor - made numerous changes to financial statement model, updated budget based on agreed upon changes and created invoice report.	1.10	475.00	\$522.50
08/07/13	077	RH	At Debtor - Meeting with B. Edminston re: material needs.	0.60	475.00	\$285.00
08/07/13	077	RH	Finalized 10 week cash budget.	0.90	475.00	\$427.50
08/07/13	079	RH	Communicated with vendors re: outstanding bills.	0.90	475.00	\$427.50
08/07/13	086	RH	Met with multiple employees to discuss the status of health insurance. Participated in calls with representatives of Anthem.	1.20	475.00	\$570.00
08/07/13	098	RH	At Debtor - meeting with B. Fellows re: outstanding Environmental issues.	1.00	475.00	\$475.00
08/07/13	098	RH	At Debtor - call with representatives of Custom Payroll in order to see if they would reinstate services.	0.70	475.00	\$332.50
08/07/13	104	RH	Meeting with K. Wilkerson re: phone systems.	0.70	475.00	\$332.50
08/07/13	116	RH	At Debtor - worked to complete schedules and SOFAs	2.20	475.00	\$1,045.00
08/08/13	047	RH	Spoke with J. McPherson and reviewed payments and expenses paid to M. Fox.	0.40	475.00	\$190.00
08/08/13	051	RH	Communication with Citibank re: status of account changes.	0.50	475.00	\$237.50
08/08/13	051	RH	Based on conversations with A. Hirt, B. Edminston	1.80	475.00	\$855.00

Client: ColorRep, Inc.

and J. McPherson prepared and distributed a revised funding request.

08/08/13	051	RH	Reconciled cash and approved disbursements for ink, paper and other necessary materials.	0.90	475.00	\$427.50
08/08/13	051	RH	Reviewed and approved weekly payroll disbursement.	0.20	475.00	\$95.00
08/08/13	077	RH	Call with B. Edminston re: budget to actual, backlog, production schedules and material needs.	0.70	475.00	\$332.50
08/08/13	086	RH	Communicated with counsel and the company to reinstate dental coverage. Prepared document to the employees regarding dental coverage.	1.10	475.00	\$522.50
08/08/13	086	RH	Calls/Emails with B. Smiley re: outstanding issues for Life, Medical and Disability policies.	0.70	475.00	\$332.50
08/08/13	090	RH	Worked with B. Smiley to reconcile 401K and conference with Great West re: unpaid amounts.	0.90	475.00	\$427.50
08/08/13	098	RH	Call with D. Fuller re: funding request, personnel issues and approval of 10 week DIP Budget.	0.40	475.00	\$190.00
08/08/13	098	RH	Call with D. Fuller and B. Smiley re: outstanding HR and operating Issues.	0.70	475.00	\$332.50
08/09/13	047	RH	Call with J. McPherson re: approved disbursement, personnel concerns and outstanding issues.	0.90	475.00	\$427.50
08/09/13	050	RH	Call with B. Julian re: status of case, message to customers and upcoming plan.	0.60	475.00	\$285.00
08/09/13	050	RH	Call with A. Hirt re: status of funding, personnel issues, and reporting.	0.30	475.00	\$142.50
08/09/13	051	RH	Reconciled Citibank activity.	0.20	475.00	\$95.00
08/09/13	051	RH	Call with J. Mcpherson re: funding, cash management, and personnel issues	0.60	475.00	\$285.00
08/09/13	051	RH	Reconciled cash, arranged to have end of week balance wired back to DIP Lender.	0.60	475.00	\$285.00
08/09/13	061	RH	Coordinated the-preparation of a letter to M Fox.	0.40	475.00	\$190.00
08/09/13	079	RH	Calls with various shipping vendors in order to reinstate services.	0.80	475.00	\$380.00
08/09/13	086	RH	Discussions with the company re: unpaid insurance claims, and letters received from Anthem.	0.60	475.00	\$285.00
08/09/13	090	RH	Calls with B. Smiley and B. Edminston re: approval for four new hires.	0.70	475.00	\$332.50
08/09/13	098	RH	Conference call with A. Hirt, B. Julian, management and the sales team to discuss the status of the case.	1.00	475.00	\$475.00
08/09/13	116	RH	Review status of case, upcoming schedule and outstanding issues related to MOR's.	0.70	475.00	\$332.50
08/11/13	047	RH	Call with M. Fox re: status of case, management of the process.	0.60	475.00	\$285.00
08/11/13	047	RH	Review future work, upcoming plan and status of outstanding tasks.	0.50	475.00	\$237.50
08/11/13	047	RH	Two separate calls with A. Hirt re: up coming week schedule and status and timing of outstanding reports.	0.90	475.00	\$427.50
08/11/13	047	RH	Review tasks associated with Debtor's operation	1.10	475.00	\$522.50

including reporting.

08/12/13	047	RH	Multiple calls with M. Fox re: his intentions and plan.	0.90	475.00	\$427.50
08/12/13	047	RH	Various calls agreements made by Bonnie re: credits from future shipments for Lami.	0.60	475.00	\$285.00
08/12/13	047	RH	Call with NY Office re: Calibration Equipment and outstanding bills.	0.40	475.00	\$190.00
08/12/13	051	RH	Calls with J. Saenz and M. Weinberg (Citibank) re: removal of M. Fox from the bank accounts.	0.60	475.00	\$285.00
08/12/13	051	RH	Call with J. McPherson re: current cash balance, and timing of future disbursements.	0.50	475.00	\$237.50
08/12/13	077	RH	Prepared certain reconciliations of receipts and disbursements.	0.60	475.00	\$285.00
08/12/13	079	RH	Calls with Vendors (UPS, software provider, recruiting) regarding outstanding invoices and the difference between pre and post petition debt.	1.20	475.00	\$570.00
08/12/13	086	RH	Addressed numerous employee inquiries re: Anthem (Health Insurance). Many employees being told that the company didn't have health insurance.	0.80	475.00	\$380.00
08/12/13	090	RH	Call with B. Smiley to discuss employee concerns re: payroll, payroll taxes and 401K payments.	0.60	475.00	\$285.00
08/12/13	098	RH	Attended multiple meetings with the lender at the offices of Platinum Funding, New York, NY; update status meetings.	1.40	475.00	\$665.00
08/12/13	104	RH	Calls/Emails with K. Wilkerson and J. McPherson regarding crashed server and action steps to get the system up and running.	0.60	475.00	\$285.00
08/12/13	122	RH	Reviewed production results for the prior week. Communicated with B. Edminston re: update.	0.30	475.00	\$142.50
08/13/13	051	RH	Calls with Citibank regarding authorized signatures and change in account authorization.	0.30	475.00	\$142.50
08/13/13	077	RH	Updated Cash Flow model - Reconciled budget to approved DIP budget, imported receipts and disbursements to actual report, printed and imputed daily invoicing entries.	2.50	475.00	\$1,187.50
08/13/13	090	RH	At Debtor - two meetings with B. Smiley re: payroll issues including Great West billing requirements, timing of payroll funding and reconciliation of payroll sheets to cash flow statement.	0.90	475.00	\$427.50
08/13/13	099	RH	At Debtor - meetings with J. McPherson, B. Smiley R. Edminston and K. Wilkerson re: Insurance, Citibank accounts, server concerns and production needs.	1.50	475.00	\$712.50
08/13/13	099	RH	At Debtor - meeting with B. Boyd and D. Fuller re: future business model, including pricing structure, vendors, clients, growth opportunities and leadership.	1.30	475.00	\$617.50
08/13/13	148	RH	Travel from Princeton NJ to Corporate Headquarters in Harrisonburg VA.	5.70	0.00	\$0.00
08/14/13	050	RH	Calls with Citibank personnel re: authorized access to bank accounts.	0.20	475.00	\$95.00
08/14/13	050	RH	Review status of outstanding issues.	0.30	475.00	\$142.50

Client: ColorRep, Inc.

08/14/13	051	RH	At Debtor - worked with J. McPherson to complete and prepare back up schedules for funding request.	0.90	475.00	\$427.50
08/14/13	051	RH	At Debtor - approved cash disbursements based on approved funding request.	0.70	475.00	\$332.50
08/14/13	077	RH	Worked on statements for Lender including: updating disbursements, tied receipts and disbursements to actual tab, updated and reconciled payroll, updated funding data and reconciled invoices to revenues.	1.80	475.00	\$855.00
08/14/13	086	RH	At Debtor - Meeting with B. Smiley re: need to obtain alternative quotes for medical insurance to compare to Anthem . Also made calls to Anthem regarding existing policy and status of payments.	1.10	475.00	\$522.50
08/14/13	086	RH	At Debtor, calls/emails with representative of Stutman re: status of negotiations with Anthem.	0.30	475.00	\$142.50
08/14/13	098	RH	At Debtor - call with representatives of Stutman re: outstanding schedules.	0.60	475.00	\$285.00
08/14/13	099	RH	Meeting with J. McPherson and K. Wilkerson re: access to Great Plains, necessary data for schedules and statements and process for disbursements including checks or debit card.	1.40	475.00	\$665.00
08/14/13	099	RH	At Debtor - meetings with B. Fellows, D. Fuller and B. Boyd re: outstanding environmental issues and concerns.	1.10	475.00	\$522.50
08/14/13	099	RH	At Debtor - meeting with D. Fuller, B. Boyd and B. Jullian re: sales and marketing, software needs, commission structures, and customers.	1.80	475.00	\$855.00
08/14/13	099	RH	At Debtor - call with A. Hirt re: outstanding cash flow budget schedule.	0.30	475.00	\$142.50
08/15/13	047	RH	At Debtor - Calls with landlord of Charlotte office re: lease termination.	0.40	475.00	\$0.00
08/15/13	051	RH	Reconciliation of cash activity. Calls with representatives of Citibank re: status of account changes.	0.80	475.00	\$380.00
08/15/13	077	RH	Reconciled cash, and updated Cash Flow Report, Actual, actual vs budget, funding balance and list of disbursements.	1.20	475.00	\$570.00
08/15/13	098	RH	At Debtor - meeting w/ B. Edminton re: production results and material needs for the next 7 days.	0.80	475.00	\$380.00
08/15/13	099	RH	At Debtor - meeting with B. Boyd.	0.50	475.00	\$237.50
08/15/13	099	RH	At Debtor - call with B. Julian re: outstanding commissions and expenses for sales people.	0.40	475.00	\$190.00
08/15/13	099	RH	Numerous call and emails with A. Hirt, D. Fuller and B. Jullian re: potential staff reductions in the New York office and the need to reduce occupancy costs.	1.20	475.00	\$570.00
08/15/13	104	RH	At Debtor re: Imformational Technology, met with K. Wilkerson need for new server, need to have capability to add scanning system and outstanding software issues.	0.50	475.00	\$237.50
08/15/13	104	RH	At Debtor, meeting with B. Fellows and P. Herill re: Environmental issues. Need for funding to stay compliant. Discussed EPA, DEQ and hazardous waste	1.50	475.00	\$712.50

			removal.			
08/15/13	104	RH	At Debtor - reviewed sales since pre-petition. Discussed tasks necessary to update systems and produce an outstanding receivables report.	0.70	475.00	\$332.50
08/15/13	104	RH	At Debtor - meeting with B. Boyd re: sample business, back-log, future of legacy business, customers concerns due to bankruptcy.	1.00	475.00	\$475.00
08/15/13	116	RH	At Debtor - worked with J. McPherson and Debtors counsel to complete select statements and schedules.	0.80	475.00	\$380.00
08/16/13	050	RH	At Debtor - call with R. Katz re: scheduling, status of prior days hearing and cash management issues.	0.30	475.00	\$142.50
08/16/13	051	RH	At Debtor - call with M. Weinberg (Citibank) re: check signing privilege for bank accounts. Returned multiple emails re: access to Citibank accounts.	0.50	475.00	\$237.50
08/16/13	051	RH	At Debtor - reviewed bank statements from pre-petition accounts at Union Bank. Need to close out all Union Bank accounts.	0.30	475.00	\$142.50
08/16/13	079	RH	At Debtor - met with B. Fellows re: outstanding invoice with Veolia and need to have them pick up hazardous waste materials. Placed call to Veolia to make arrangements.	0.70	475.00	\$332.50
08/16/13	090	RH	At Debtor - Meeting with B. Smiley re: outstanding deductions for child support and alimony. Reconciled payments to payroll report.	0.70	475.00	\$332.50
08/16/13	090	RH	At Debtor - returned call to B. Julian. Discussed potential changes to NY staff and the need to reduce operating expenses. Also discussed commission to in house sales people as well as outside agents.	0.70	475.00	\$332.50
08/16/13	099	RH	At Debtor - attended weekly Managers meetings, provided update to the case.	1.00	475.00	\$475.00
08/16/13	104	RH	At Debtor - reviewed receivable report and discussed with B. Julian ability to make collections over the next 30 days.	0.40	475.00	\$190.00
08/16/13	148	RH	Traveled from Corporate Headquarters in Harrisonburg VA to Princeton NJ.	5.50	0.00	\$0.00
08/18/13	047	RH	Reviewed reports prepared by K. Wilkerson. Communicated with J. McPherson re: commissions owed.	0.30	475.00	\$142.50
08/18/13	051	RH	Reconciled three Citibank Accounts and the Union Bank account.	2.30	475.00	\$1,092.50
08/18/13	061	RH	Various correspondence with B. Julian and M. McPherson re: various employee, cash and funding issues.	0.60	475.00	\$285.00
08/18/13	077	RH	Financial modeling - updated Cash Flow statement. Reconciled cash to disbursements, receipts, funding and intercompany transfers.	2.20	475.00	\$1,045.00
08/18/13	098	RH	Conference call with A. Hirt and D. Fuller to discuss potential staff reductions including timing, process and cash funding needs upon employees last day.	0.80	475.00	\$380.00
08/19/13	050	RH	Review and analyze status of cash reconciliations and ongoing operating processes.	0.30	475.00	\$142.50

08/19/13	051	RH	Reconciled every employees payroll, per payroll records to cash flow model and bank statements.	1.50	475.00	\$712.50
08/19/13	079	RH	Worked with M. Morgulas re: outstanding vendor invoices and timing for funding for lien analysis.	0.30	475.00	\$142.50
08/19/13	090	RH	Multiple meetings/conference calls re: the tragic passing of previous CEO, M. Fox. Worked with management to regain focus by an extremely effected work force.	2.30	475.00	\$1,092.50
08/19/13	104	RH	IT - Call with K. Wilkerson re: funding for new server.	0.20	475.00	\$95.00
08/19/13	104	RH	IT - calls with K. Wilkerson re: ability to transfer AR files to NewCo and the need to engage Vertical Solution.	0.60	475.00	\$285.00
08/19/13	104	RH	Worked with K. Wiklerson to create operational schedules including an efficiency analysis and profit variance. Discussed all of the periods where data wasn't properly entered into the system.	0.80	475.00	\$380.00
08/19/13	116	RH	Worked with J. McPherson to create and/or review certain schedules.	0.80	475.00	\$380.00
08/19/13	122	RH	Calls with R. Edminston re: backlog, production schedule and material demands.	0.60	475.00	\$285.00
08/20/13	047	RH	Reviewed collections and outstanding balance for Materialised.	0.20	475.00	\$95.00
08/20/13	050	RH	Analyzed proposed changes in personnel.	0.30	475.00	\$142.50
08/20/13	051	RH	Reviewed operational supplies list and participated on calls with B. Edminson. Discussed prior approved items that haven't been funded.	0.90	475.00	\$427.50
08/20/13	051	RH	Reconciled net funding from Mesiroe to included all sweeps back to Mesiroe. Compared numbers to A. Hirt records.	0.60	475.00	\$285.00
08/20/13	051	RH	Call with J. McPherson re: funding request and prior week requests that were not funded.	0.20	475.00	\$95.00
08/20/13	086	RH	Calls with B. Smiley re: status of Anthem and potential alternative health care plans.	0.50	475.00	\$237.50
08/20/13	090	RH	Call with A. Hirt and D. Fuller re: proposed payroll cuts and implementation plan.	0.80	475.00	\$380.00
08/20/13	090	RH	Call with B. Smiley re: potential changes. Outstanding PTO and commissions.	0.40	475.00	\$190.00
08/20/13	099	RH	Call with B. Julian, re: sales projections and potential change in Sales staff.	0.50	475.00	\$237.50
08/20/13	104	RH	Reviewed schedules including - prior days cash balances, invoicing and disbursements.	0.30	475.00	\$142.50
08/20/13	116	RH	Calls with John re: questions and data for MOR's.	0.80	475.00	\$380.00
08/21/13	047	RH	Completed two cash management reports for A. Hirt.	0.90	475.00	\$427.50
08/21/13	050	RH	Call with A. Hirt and D. Fuller re: correspondence with B. Boyd re: employees moral, lack of sales, and other business issues.	0.70	475.00	\$332.50
08/21/13	050	RH	Call with A. Hirt re: status of management reports and roles and responsibilities of ESBA.	0.80	475.00	\$380.00

Client: ColorRep, Inc.

08/21/13	051	RH	Reviewed Well Fargo account, reconciled to bank statement and added data to 13 Week Cash Flow Model.	1.10	475.00	\$522.50
08/21/13	051	RH	Communicated with representatives of Citibank.	0.20	475.00	\$95.00
08/21/13	051	RH	Prepared schedule of cash disbursements and receipts for the pre-petition period of July 1 - July 11 at the request of A Hirt.	0.70	475.00	\$332.50
08/21/13	051	RH	Reconciled Union Activity to bank statement for the period of 8/1 - 8/21.	0.70	475.00	\$332.50
08/21/13	077	RH	Reconciled and revised the budget tab in the 13 Week cash flow to agree with the approved 10 Week DIP budget.	1.10	475.00	\$522.50
08/21/13	086	RH	Call with B. Smiley re: workers comp and need to speak with the company regarding pre and post petition amounts.	0.40	475.00	\$190.00
08/21/13	090	RH	Calls with J. McPherson and B. Smiley re: previous bounced checks and employee concerns regarding payment.	0.40	475.00	\$190.00
08/21/13	090	RH	Prepared schedule of proposed personnel changes, calculated payments to be paid on last day. Communicated with M. Morgulas re: debtor responsibilities.	1.00	475.00	\$475.00
08/21/13	098	RH	Conference call with J. McPherson, A. Hirt and R. Katz re: numerous outstanding issues.	0.70	475.00	\$332.50
08/21/13	116	RH	Calls with J McPherson re: MOR's.	0.40	475.00	\$190.00
08/21/13	122	RH	Call with B. Julian re: issues with Super Black and progress of testing.	0.70	475.00	\$332.50
08/22/13	046	RH	Prepare and plan for Board of Directors.	0.70	475.00	\$332.50
08/22/13	051	RH	Reviewed cash activity in Union Bank account for period from Aug 1 - Aug 21.	0.70	475.00	\$332.50
08/22/13	051	RH	At Debtor - met with P. Kiracofe re: receipts and receivables.	0.30	475.00	\$142.50
08/22/13	077	RH	Reviewed spreadsheet of all employees missed pay for use in forecast.	0.80	475.00	\$380.00
08/22/13	086	RH	Communicated with B. Smiley re: Anthem Health Insurance re: L. Levy cobra papers and status of insurance plan.	0.60	475.00	\$285.00
08/22/13	090	RH	Call/Email with representatives of Stutman, B. Smiley and J. McPherson re: priority payroll claims.	0.40	475.00	\$190.00
08/22/13	090	RH	Calls/Emails with M. Morgulas and G. Klausner re: change in workforce and estimated expenses to pay at termination.	0.60	475.00	\$285.00
08/22/13	098	RH	Conference call with K. Schliffet, D. Fuller, B. Boyd, R. Edminston and A. Hirt re: supply ordering issues, immediate needs and production schedule.	1.00	475.00	\$475.00
08/22/13	099	RH	At Debtor - meeting with A. Hirt and D. Fuller re: Employee concerns, questions expected at Town Hall Meeting and plan for addressing back pay issues.	0.80	475.00	\$380.00
08/22/13	099	RH	Led "Town Hall" meeting with all of the employees in Harrisonburg, Charlotte and New York. Address	1.10	475.00	\$522.50

Client: ColorRep, Inc.

			employees concerns, explained the status of the case and discussed timing.			
08/22/13	099	RH	Met with various employees after the Town Hall meeting to provide additional information regarding the status of the case.	0.30	475.00	\$142.50
08/22/13	122	RH	Conference call with A. Hirt, D. Fuller, B. Julian and B. Edminson re: concerns regarding blade markets in a VSS order and concerns about the equipment and inspection department.	0.50	475.00	\$237.50
08/22/13	148	RH	Travel from Princeton NJ to Harrisonburg VA.	5.50	0.00	\$0.00
08/23/13	051	RH	At Debtor - Updated funding request.	0.40	475.00	\$190.00
08/23/13	051	RH	At Debtor - call with A. Hirt re: outstanding cash balances.	0.20	475.00	\$95.00
08/23/13	051	RH	Reviewed expense reports for B. Walker and P. Hess.	0.30	475.00	\$142.50
08/23/13	079	RH	At Debtor - call with B. Jullian re: software vendor AVA.	0.30	475.00	\$142.50
08/23/13	079	RH	At Debtor - Meeting with B. Edminston re: outstanding funding request, material demands for the upcoming week and backlog schedule.	0.70	475.00	\$332.50
08/23/13	086	RH	At Debtor - call with Morris Masinter (insurance broker) re: health insurance quotes to compare to Anthem.	0.40	475.00	\$190.00
08/23/13	086	RH	At Debtor - call regarding outstanding balance on workers comp. policy.	0.40	475.00	\$190.00
08/23/13	086	RH	Reviewed quotes for alternative medical insurance plans.	0.20	475.00	\$95.00
08/23/13	148	RH	Travel from Harrisonburg VA to Princeton NJ.	5.80	0.00	\$0.00
08/25/13	047	RH	Reviewed weekly invoicing, disbursements and receipts.	0.40	475.00	\$190.00
08/25/13	050	RH	Multiple calls/emails with A. Hirt re: history of funding.	0.60	475.00	\$285.00
08/25/13	077	RH	Updated cash flow model with disbursements, receipts, funding, invoicing and bank reconciliations.	1.20	475.00	\$570.00
08/25/13	099	RH	Calls with D. Fuller re: status and pricing of new Debs order. Discussed issue with Super Black and the timing to deliver that portion of the order.	0.50	475.00	\$237.50
08/25/13	099	RH	Call with D. Fuller re: status of open issues, and plan for upcoming week.	0.70	475.00	\$332.50
08/25/13	122	RH	Calls/Emails with R. Edminston regarding job costing history in order to properly price new order from Soubhi Debs.	0.80	475.00	\$380.00
08/26/13	047	RH	Prepared list of back pay and PTO for all employees. Reconciled list to internal documents held by J. McPherson and B. Smiley.	1.10	475.00	\$522.50
08/26/13	050	RH	Call with A. Hirt re: Planning for upcoming week.	0.60	475.00	\$285.00
08/26/13	051	RH	Analyzed cash position in order to run production and pay certain utility bills before the next funding.	1.00	475.00	\$475.00
08/26/13	051	RH	Prepared and distributed Funding request. Call with A. Hirt re: breaking the request into two separate	1.20	475.00	\$570.00

Client: ColorRep, Inc.

			requests.			
08/26/13	086	RH	Call with B. Smiley re: handing out medical questionnaires to the employees so that alternative insurance companies can properly underwrite an alternative policy.	0.30	475.00	\$142.50
08/26/13	099	RH	Conference call with B. Edminson, B. Julian and J. McPherson re: ink formulations and need for additional ink orders re: new Debs order.	0.60	475.00	\$285.00
08/26/13	099	RH	Meeting with B. Julian, and representatives of Granada at the office of Granda. Discussed future orders and the status of the case.	2.00	475.00	\$950.00
08/26/13	099	RH	Met with M. Mourgulas. Discussed various open issues including insurance and outstanding utilities accounts.	1.70	475.00	\$807.50
08/26/13	099	RH	Conference call with representatives of Stuttman and Anthem and the company regarding the outstanding policy.	0.80	475.00	\$380.00
08/26/13	104	RH	Accounts Receivable - call with B. Julian re: outstanding receivables.	0.50	475.00	\$237.50
08/26/13	122	RH	Calls/Emails with B. Fellows and R. Edminston regarding Super Black ink that arrived in Norfolk. Discussed process for approving the Super Black applicator.	0.80	475.00	\$380.00
08/27/13	051	RH	At Debtor - call with D. Fuller re: reconciliation of funding requests. Prepared statement of past funding requests for A. Hirt and D. Fuller.	0.70	475.00	\$332.50
08/27/13	051	RH	At Debtor - Prepared and distributed weekly funding request.	1.00	475.00	\$475.00
08/27/13	051	RH	At Debtor - worked with P. Kiracofe to determine which distributions could be made.	0.70	475.00	\$332.50
08/27/13	051	RH	Updated 13 Week Cash Flow vs Actual.	0.50	475.00	\$237.50
08/27/13	077	RH	Reviewed production and invoice reports.	0.40	475.00	\$190.00
08/27/13	077	RH	At Debtor - Prepared backup support to funding request.	0.80	475.00	\$380.00
08/27/13	079	RH	Analyze AVA outstanding balance and follow up with vendor.	0.40	475.00	\$190.00
08/27/13	079	RH	Analyze Verizon and Verizon NY bills and follow up call with vendor.	0.50	475.00	\$237.50
08/27/13	099	RH	Call with R. Katz re: case status.	0.40	475.00	\$190.00
08/27/13	148	RH	Princeton NJ to Corporate HQ - Harrisonburg, VA.	5.50	0.00	\$0.00
08/28/13	047	RH	At Debtor - Met with D. Wagner re: need for credit memo for Ridgeway, shipping expenses and various engraving charges.	0.40	475.00	\$190.00
08/28/13	050	RH	At Debtor - met with various employees re: outstanding insurance claims and status of the companies insurance policy.	0.60	475.00	\$285.00
08/28/13	051	RH	At Debtor - reconciled cash activity for Union Bank account.	0.60	475.00	\$285.00
08/28/13	077	RH	Updated 13 Week cash flow with disbursements,	0.60	475.00	\$285.00

Client: ColorRep, Inc.

			receipts and funding for the prior week.			
08/28/13	079	RH	Call with AVA regarding outstanding invoices.	0.40	475.00	\$190.00
08/28/13	090	RH	Reviewed and revised schedule by employee noting back pay and PTO.	0.70	475.00	\$332.50
08/28/13	098	RH	Call with A. Hirt and D. Fulerr re: status of open issues.	0.40	475.00	\$190.00
08/28/13	099	RH	At Debtor - meeting with B. Edminston re: funding request, material needs, equipment repairs and environmental expenses.	1.00	475.00	\$475.00
08/28/13	099	RH	At Debtor - attended and participated in meeting with all supervisors to review the Maintenance To Do.	0.80	475.00	\$380.00
08/28/13	099	RH	Calls/Emails with B. Edminston, W. Boyd, and B. Julian re: history and potential of the Legacy business.	0.60	475.00	\$285.00
08/28/13	099	RH	At Debtor - Met with B. Dean regarding immediate repair needs including status of fork truck repairs.	0.40	475.00	\$190.00
08/28/13	099	RH	Conference call with representatives of Stutman, and the lender to discuss operations, reporting and follow up issues.	0.60	475.00	\$285.00
08/28/13	104	RH	Toured the plant with B. Boyd, spent time with various employees to explain the status of the Bankruptcy process.	1.00	475.00	\$475.00
08/28/13	116	RH	At Debtor - worked with J. McPherson to update MORS.	1.00	475.00	\$475.00
08/28/13	122	RH	At Debtor - meeting with B. Edminston and B. Boyd re: tracking costs by production run. Worked with Bob to prepare an initial schedule, G.Breeden to provide solvent costs for analysis.	1.00	475.00	\$475.00
08/29/13	047	RH	Review receivables, cash balances, future disbursements and general case management.	0.40	475.00	\$190.00
08/29/13	047	RH	At Debtor - spoke with B. Julian and J. McPherson re: existing NY lease and future needs of the Debtor for real estate space in NY.	0.40	475.00	\$190.00
08/29/13	047	RH	Reviewed NY Lease	0.30	475.00	\$142.50
08/29/13	050	RH	Call with R. Katz re: status.	0.20	475.00	\$95.00
08/29/13	051	RH	Reconciled Citibank accounts for Management reports.	0.80	475.00	\$380.00
08/29/13	051	RH	Prepared updated funding . Prepared supporting schedules for the package.	1.20	475.00	\$570.00
08/29/13	086	RH	At Debtor - research regarding minimum hours needed to work in order to receive benefits. Considering a change in payroll including moving some employees from full time to part time (25 hours).	0.50	475.00	\$237.50
08/29/13	090	RH	Worked with B. Smiley to prepare cash requirements for the termination of 9 - 12 employees.	0.80	475.00	\$380.00
08/29/13	099	RH	Reviewed schedules and participated in conversations with B. Julian and J. McPherson re: commissions due to outside agents.	0.70	475.00	\$332.50
08/29/13	099	RH	At Debtor - meeting with B. Edminston re: material requests, reviewed each item and discussed the	0.80	475.00	\$380.00

possibility of delaying disbursements one or two weeks per request of A. Hirt.

08/29/13	099	RH	Call with A. Hirt re: supply requests and proposed personnel changes. Discussed concerns by the management team.	0.40	475.00	\$190.00
08/29/13	099	RH	Meeting with B. Boyd re: production limitations, lack of sales, employee moral, and the effect of competitors on the business.	1.00	475.00	\$475.00
08/29/13	099	RH	Led a Town Hall meeting with all employees in Harrisonburg, Charlotte and New York. Answered many questions about potential layoffs, Larry Levy and status of the bankruptcy. Stayed after the meeting to answer individual questions.	1.20	475.00	\$570.00
08/29/13	104	RH	At the Debtor - meeting with D. Wagner re: shipping costs.	0.20	475.00	\$95.00
08/29/13	113	RH	Started the preparation of management reports including budget to actual.	2.30	475.00	\$1,092.50
08/30/13	047	RH	Reviewed invoice reports prepared by P. Kiracofe.	0.30	475.00	\$142.50
08/30/13	047	RH	At Debtor - reviewed plant operations, discussions regarding inspection process, paint mixing process, issues with engraving process.	1.00	475.00	\$475.00
08/30/13	047	RH	Outlined plan to reduce payroll. Included individual names, positions, back pay owed, PTO owed and timing.	1.10	475.00	\$522.50
08/30/13	050	RH	Call with A. Hirt and D. Fuller re: employee reductions, budget to actual report and cost analyses.	0.40	475.00	\$190.00
08/30/13	051	RH	Worked with J. McPherson to find difference between Cash in Cash Flow statement and bank balances. Identified reconciling item in Wells Fargo Acct.	0.70	475.00	\$332.50
08/30/13	061	RH	Met with B. Boyd regarding a concern that a competitor was passing negative rumors about the company. Spoke with representatives of Stutman regarding a cease and desist letter.	0.60	475.00	\$285.00
08/30/13	079	RH	At Debtor - Multiple calls with mail machine leasing company.	0.60	475.00	\$285.00
08/30/13	079	RH	Call with M. Cohen regarding outstanding invoices. Discussed time and expense entries. Spoke with P. Kiracofe regarding companies records for M Cohen.	0.70	475.00	\$332.50
08/30/13	079	RH	At Debtor - Met with K. Wilkerson re: vendor payments for the period 7/2011.	0.50	475.00	\$237.50
08/30/13	104	RH	Updated 13 Week Cash Flow and budget vs actual report.	0.80	475.00	\$380.00
08/30/13	148	RH	Harrisonburg VA - Princeton NJ.	5.70	0.00	\$0.00
			Totals for: Hauer, Richard	242.70	386.34	\$93,765.00

Katz, Robert**Managing Director**

Date	Task	Tmkp	Description	Hours Worked	Rate	Fees Billed
08/01/13	046	RK	Review steps and timing with the BOD - outline progress of the case to date.	1.10	525.00	\$577.50
08/01/13	077	RK	Continue working on forecast for cash collateral	0.90	525.00	\$472.50

			hearings.			
08/01/13	078	RK	Continue working on identifying list of interested parties.	0.80	525.00	\$420.00
08/02/13	077	RK	Work on updating rolling cash flow forecast through October 5, regarding the sale process and timing.	0.90	525.00	\$472.50
08/02/13	077	RK	Multiple calls and correspondences with lender; company personnel to review financials; projections and call next week to review IB proposals and budget.	0.90	525.00	\$472.50
08/05/13	077	RK	Work on the interim and DIP final budgets.	1.10	525.00	\$577.50
08/05/13	077	RK	Work on assumption write up for the forecast.	0.80	525.00	\$420.00
08/06/13	077	RK	Continue working on the Interim and DIP financing orders and run sensitivities to do so.	0.80	525.00	\$420.00
08/06/13	079	RK	Work on utility adequate protection analysis; review billing and compare to utilities analysis.	0.80	525.00	\$420.00
08/06/13	099	RK	Multiple correspondences with company lender and board members to provide status update and review.	0.80	525.00	\$420.00
08/06/13	116	RK	Work on statements and schedules and review progress for both Colorep and Transprint USA.	0.90	525.00	\$472.50
08/07/13	077	RK	Continue working on the interim DIP forecast and negotiate covenants of the DIP financing agreement.	1.40	525.00	\$735.00
08/07/13	078	RK	Phone interview with Investment Banker; discuss engagement; potential opportunities and timing	1.30	525.00	\$682.50
08/09/13	062	RK	Reviewing statements and schedules; 7 day filing package; statements and schedules to prepare for next weeks hearing.	1.20	525.00	\$630.00
08/09/13	079	RK	Discussions with counsel re: approach to utilities motion/negotiation and objection; perform analysis.	0.80	525.00	\$420.00
08/09/13	116	RK	Analyze and review statements and schedules to prepare for 341 hearing next week.	1.20	525.00	\$630.00
08/12/13	047	RK	Multiple conversations with IB; Hilco and GA; review proposals and negotiate deal.	1.00	525.00	\$525.00
08/12/13	062	RK	Prepare for and attend 341 Hearing - meeting of creditors.	3.40	525.00	\$1,785.00
08/12/13	062	RK	Continue to work on and review statements and schedules for 341 hearing; prepare comments for US Trustee and answers to form questions. Outline preparation and timing for MOR's.	0.90	525.00	\$472.50
08/12/13	078	RK	Continue to work on and prepare budget and assumptions to be attached to the Final DIP Financing Order.	1.20	525.00	\$630.00
08/12/13	078	RK	Continue to work in DIP budget for Final hearing later in the week.	0.90	525.00	\$472.50
08/13/13	051	RK	Review signature cards and documents send to Citi to set up new accounts.	0.90	525.00	\$472.50
08/13/13	078	RK	Discussions with lender to negotiate budget items for final DIP financing order	0.60	525.00	\$315.00
08/14/13	078	RK	Review DIP financing documents.	1.20	525.00	\$630.00
08/15/13	062	RK	Prepare for court hearing and attend court hearing	2.30	525.00	\$1,207.50

Client: ColorRep, Inc.

			telephonically.			
08/19/13	104	RK	Meeting/conference call with production operation and sales team; review production and scheduling for the next week; discuss plan to review sales.	0.90	525.00	\$472.50
08/19/13	116	RK	Work on MOR schedules; meeting with JMcP and review deliverables; b/s; p/l and open items.	0.80	525.00	\$420.00
08/20/13	062	RK	Work with MN of S re utility motion; adequate protection deposit and correspond with Citi re: setting up new account.	0.80	525.00	\$420.00
08/20/13	077	RK	Work on cash flow forecast; prepare cash requirements advance request.	0.90	525.00	\$472.50
08/20/13	104	RK	Meet with production team - review material needs for coming weeks production; discussions with environmental engineers and review next steps.	0.90	525.00	\$472.50
08/20/13	116	RK	Work on and review the July MOR with JMcP; also correspond and discuss with MN of Stutman; address his comments.	1.30	525.00	\$682.50
08/21/13	046	RK	Prepare write up and prepare for BOD call tomorrow.	0.90	525.00	\$472.50
08/21/13	046	RK	Continue working on board presentation for tomorrows call.	0.60	525.00	\$315.00
08/21/13	050	RK	Prepare notes and write up for the file and follow up items.	2.80	525.00	\$1,470.00
08/21/13	077	RK	Continue to work on the forecast; projections and budget to actual reporting.	1.30	525.00	\$682.50
08/21/13	077	RK	Work on vendor and expenditure requests; compare to budget to be funded.	0.90	525.00	\$472.50
08/21/13	113	RK	Prepare write up and status report on progress of the case.	1.40	525.00	\$735.00
08/22/13	148	RK	Travel from Harrisinburg Virginia to Philadelphia PA.	5.00	0.00	\$0.00
08/23/13	077	RK	Review budget to actual forecast and cash flow projections; prepare write up for company status.	0.70	525.00	\$367.50
08/23/13	116	RK	Work on July MOR's for both Company's; prepare detail schedules and follow up and support additional information; continue to review and work w/counsel.	0.80	525.00	\$420.00
08/26/13	047	RK	Review the revenue by customer analysis; review the trends for 2008 through 2013.	0.90	525.00	\$472.50
08/26/13	047	RK	Status call with GF and MH of HG and GK of STG; to discuss sale prospects; candidates; etc.	0.50	525.00	\$262.50
08/26/13	099	RK	Participate in conference call with Anthem BC regarding insurance coverage issues and employee concerns.	0.60	525.00	\$315.00
08/27/13	116	RK	Work on July MOR's review with MN of STG and JMcP the Company's controller.	1.20	525.00	\$630.00
08/28/13	062	RK	Prepare for and attend court hearing telephonically.	1.60	525.00	\$840.00
08/28/13	116	RK	Final review for July MOR's; approve and get ready to file.	0.90	525.00	\$472.50
08/29/13	062	RK	Prepare for and attend abbreviated court hearing re status call.	0.50	525.00	\$262.50

Client: ColorRep, Inc.

08/30/13	113	RK	Prepare status report for the company outlining cash flow performance; funding; sales; outlook and next steps.	1.10	525.00	\$577.50
Totals for: Katz, Robert				55.40	477.62	\$26,460.00

Ekelund, Susan**Administrative**

Date	Task	Tmkp	Description	Hours Worked	Rate	Fees Billed
08/02/13	047	SE	Prepare documents for business meeting.	0.50	205.00	\$102.50
Totals for: Ekelund, Susan				0.50	205.00	\$102.50
TOTALS :				351.40		\$141,183.50

ColorRep, Inc.
Executive Sounding Board Associates Inc.
Summary of Time Incurred by Project

08/01/13 - 08/31/13

<u>Project Description</u>	<u>Task Codes</u>	<u>Hours</u>	<u>Fees</u>
Board Of Directors- BOD	046	3.30	\$1,697.50
Business Analysis & Planning	047	20.80	\$9,675.00
Case Administration	050	9.00	\$4,415.00
Cash Management	051	36.30	\$17,287.50
Correspondence	061	4.70	\$2,232.50
Ct Hearing & Preparation	062	10.70	\$5,617.50
Financial Stmts & Projections	077	28.50	\$14,067.50
Financing	078	6.00	\$3,150.00
Vendor	079	9.60	\$4,640.00
Insurance	086	12.10	\$5,699.50
Personnel issues	090	19.30	\$8,999.50
Meeting - external	098	16.10	\$7,647.50
Meetings	099	34.60	\$16,225.00
Operations & Fin Analysis	104	15.80	\$7,595.00
Report Preparation	113	5.60	\$2,785.00
Schedules - Bankruptcy	116	60.40	\$25,317.00
Manufacturing	122	8.70	\$4,132.50
Travel time -client	148	49.90	\$0.00
	Totals	<u>351.40</u>	<u>\$141,183.50</u>

Client: ColorRep, Inc.

ColorRep, Inc.

Executive Sounding Board Associates Inc.
Summary of Time Incurred by Professional Fees by Month

09/01/13 - 09/30/13

Name of Professional Person	Position of the Applicant	Hourly Billing Rate (including changes)	Hours	Fees
Hauer, Richard	Managing Director	415.18	187.40	\$77,805.00
Katz, Robert	Managing Director	525.00	25.60	\$13,440.00
Total Hours and Fees			<u>213.00</u>	<u>\$91,245.00</u>
Blended Rate		\$428.38		

Client: ColorRep, Inc.

Client: ColorRep, Inc.

Hauer, Richard **Managing Director**

Date	Task	Tmkp	Description	Hours Worked	Rate	Fees Billed
09/03/13	046	RH	Board call to discuss potential employee reductions.	0.80	475.00	\$380.00
09/11/13	046	RH	At the Debtor - Board call with representatives of Hilco, ESBA and Stutman re: Sales Process.	0.70	475.00	\$332.50
09/13/13	046	RH	At the Debtor - Board call to discuss operating results and potential reductions in payroll.	0.90	475.00	\$427.50
09/27/13	046	RH	Board call to discuss proposed APA.	0.70	475.00	\$332.50
09/27/13	046	RH	Call with L. Levy to review proposed closing costs.	0.80	475.00	\$380.00
09/03/13	047	RH	Call with K. Wilkerson re: historical report of invoicing for the period July 2011 to June 2012. in order to determine some base line parameters.	0.40	475.00	\$190.00
09/03/13	047	RH	Updated and revised Invoicing Tab of Cash Flow model. Invoicing data was not properly broken down by product type.	0.90	475.00	\$427.50
09/03/13	047	RH	Call with J. McPherson re: outstanding tax returns and invoice from the tax preparation firm.	0.30	475.00	\$142.50
09/11/13	047	RH	At the Debtor - made changes to Management Reports.	1.00	475.00	\$475.00
09/11/13	047	RH	Updated financials, reconciled cash accounts and completed management reports for the period ending 8/7. Included reports - Actual, Actual to Budget, Bank Reconciliations, Disbursements, and Funding reconciliation.	3.20	475.00	\$1,520.00
09/18/13	047	RH	Call with Bonnie re: slow down in sales. Requested that she set up a call with Soubhi and the two of us.	0.50	475.00	\$237.50
09/19/13	047	RH	Calls with J. McPherson re: 1) outstanding invoices with B. Fellows and Pam Herrill an 2) outstanding payroll taxes.	0.40	475.00	\$190.00
09/20/13	047	RH	Reviewed cash balance for the day, and production results through 9/19/2012.	0.40	475.00	\$190.00
09/23/13	047	RH	Met with J. McPherson and reviewed documents regarding the expiration of corporate existence. Call local counsel to request assistance.	0.90	475.00	\$427.50
09/23/13	047	RH	Reviewed current account receivable schedule and reconciled to post-petition data.	0.70	475.00	\$332.50
09/25/13	047	RH	Prepared Actual to Budget report for the DIP Lender. Reconciled cash.	1.20	475.00	\$570.00
09/25/13	047	RH	Reviewed daily invoicing.	0.20	475.00	\$95.00
09/26/13	047	RH	Updated Actual to Budget report.	0.60	475.00	\$285.00
09/26/13	047	RH	Met with K. Wilkerson regarding future IT needs, reviewed White Paper and Cost Estimates prepared by company personnel.	0.80	475.00	\$380.00

Client: ColorRep, Inc.

09/26/13	047	RH	Meeting with J. McPherson re: installation of Pulse Heater, need for additional Travel Expenses, timing and responsibilities of installations and most effective way to fix the fire damage.	1.10	475.00	\$522.50
09/04/13	050	RH	Review status of the proposed employee reduction plan.	0.30	475.00	\$142.50
09/06/13	050	RH	Review employee status.	0.30	475.00	\$142.50
09/09/13	050	RH	Returned call to B. Jullian re: status of the case, and status of unsecured creditor claims.	0.60	475.00	\$285.00
09/09/13	050	RH	Review case status.	0.20	475.00	\$95.00
09/10/13	050	RH	Call with Bonnie Jullian re: client concerns, changes to NY office staff and status of the case.	0.90	475.00	\$427.50
09/13/13	050	RH	Multiple calls with stakeholders to review case status.	0.80	475.00	\$380.00
09/15/13	050	RH	Read and responded to various emails with Lender, Lenders Counsel and Stutman re: scheduling and outstanding tasks.	0.30	475.00	\$142.50
09/15/13	050	RH	Status call with company personnel, lender and ESBA.	0.40	475.00	\$190.00
09/16/13	050	RH	Call with D. Fuller re: Funding and Personnel changes.	0.40	475.00	\$190.00
09/17/13	050	RH	Communicated with R. Katz and G. Strutman re: DIP lenders agreement to fund 100% of the 9.12 funding request.	0.20	475.00	\$95.00
09/17/13	050	RH	Numerous calls to D. Fuller and lenders trying to get funding.	0.60	475.00	\$285.00
09/18/13	050	RH	Call with B. Edminston. Discussed employee concerns that the company is being liquidated.	0.60	475.00	\$285.00
09/22/13	050	RH	Prepared time estimates in order to negotiate additional services with the buyer.	0.80	475.00	\$380.00
09/24/13	050	RH	Review care status.	0.60	475.00	\$285.00
09/24/13	050	RH	Communication with G. Klausner of STG re: projected professional fees for the remainder of the case in order to make adjustments to the closing expense schedule.	0.40	475.00	\$190.00
09/27/13	050	RH	Outstanding issues.	0.30	475.00	\$142.50
09/03/13	051	RH	Researched Union bank account. After account was closed union was still processing lockbox deposits. Made arrangements to have funds transferred to Citi.	0.40	475.00	\$190.00
09/03/13	051	RH	Call with P. Kiracofe to discuss daily cash disbursements, including materials, shipping costs and other operating expenses.	0.50	475.00	\$237.50
09/03/13	051	RH	Call with B. Smiley re: Payroll for the week as well as necessary disbursements for Child Support and 401K.	0.30	475.00	\$142.50
09/03/13	051	RH	Call with B. Edminson and J. McPherson re: current funding request. Reviewed each of the items on the materials wish list to determine appropriate timing of disbursements.	0.80	475.00	\$380.00
09/04/13	051	RH	Prepared and distributed the weekly funding request.	1.00	475.00	\$475.00
09/04/13	051	RH	Two calls with J. McPherson re: cash needs for travel in connection with the installation of the pulse heater, and outstanding commissions for employees and agents.	0.70	475.00	\$332.50

Client: ColorRep, Inc.

09/06/13	051	RH	Working through Union bank accounts and why the account is still open.	0.30	475.00	\$142.50
09/06/13	051	RH	Review with R. Edminson and J. McPherson in order to evaluate the best use cash and the need to fund certain materials (ink, release paper, solvents) out of existing cash flow.	0.80	475.00	\$380.00
09/06/13	051	RH	Call with D. Fuller re: outstanding funding request. Explained in detail how many of the items on the funding request have been rolled over from prior request that were not funded.	0.80	475.00	\$380.00
09/06/13	051	RH	Received funding request of \$359,551 subsequent to a conference call with D. Fuller and E. Smith. Contacted J. McPherson regarding immediate disbursements.	0.70	475.00	\$332.50
09/06/13	051	RH	Approved cash disbursements.	0.40	475.00	\$190.00
09/06/13	051	RH	Arranged for funding of operating and professional fees and expenses.	0.40	475.00	\$190.00
09/06/13	051	RH	Communicated with B. Fellows regarding time and expenses for he and P. Harrel.	0.40	475.00	\$190.00
09/08/13	051	RH	Calls/Emails with A. Hirt and D. Fuller re: disbursements made on Friday 9/6.	0.40	475.00	\$190.00
09/08/13	051	RH	Received bank statements for three Citibank accounts for the period Sept 1 - Sept 5. Upload data into 13 Week Cash Flow model.	1.20	475.00	\$570.00
09/09/13	051	RH	Call with B. Edminson re: outstanding travel expenses.	0.40	475.00	\$190.00
09/09/13	051	RH	Approved request for funds from D. Wagner for shipping and other regular operating expenses.	0.40	475.00	\$190.00
09/10/13	051	RH	Met with P. Kiracofe and J. McPherson to discuss the prior weeks funding request. Reviewed schedule of approved expenditures and funded expenditures that were still outstanding. Confirmed that there were no requests from the prior week on the current request.	0.80	475.00	\$380.00
09/10/13	051	RH	Met with B. Edminson to evaluate his funding request into four categories : materials, maintenance, supplies and Misc. Reconciled which items from the last funding request had not been disbursed.	0.80	475.00	\$380.00
09/11/13	051	RH	At the Debtor - Review current cash position and funding to date.	0.60	475.00	\$285.00
09/12/13	051	RH	Prepared funding request. Reconciled cash reserves necessary for approved items that were not purchased.	1.40	475.00	\$665.00
09/17/13	051	RH	Coordinated with G. Klausner re: lack of funding and upcoming expenditures for payroll.	0.30	475.00	\$142.50
09/17/13	051	RH	Call with D. Fuller re: outstanding funding request dated 9.12. Additionally, we discussed access for Dan to employees for due diligence purposes.	0.80	475.00	\$380.00
09/17/13	051	RH	Present 9-12 funding request, with back up, to D. Fuller.	0.20	475.00	\$95.00
09/18/13	051	RH	Call with J. McPherson re: outstanding invoices for B. Fellows and P. Harrell.	0.20	475.00	\$95.00
09/18/13	051	RH	Reconciled cash usage. Compared approved funding	0.80	475.00	\$380.00

Client: ColorRep, Inc.

Date	Time	Initials	Description	Rate	Hourly Rate	Total
			requests to list of disbursements. Worked with P. Kiracofe. Discussed important disbursements to be made before week end. Reconciled Citibank accounts to bank statements.			
09/19/13	051	RH	Reviewed cash balances and invoicing for the day.	0.20	475.00	\$95.00
09/20/13	051	RH	Completed and distributed funding request for the week ending 9/20/2013	1.30	475.00	\$617.50
09/23/13	051	RH	Met with J. McPherson to discuss cash balances and status of the Asset Purchase Agreement negotiation.	0.60	475.00	\$285.00
09/23/13	051	RH	Reviewed and reconciled cash balance for 3 Citibank accounts.	0.70	475.00	\$332.50
09/24/13	051	RH	Reviewed cash balances, approved certain disbursements for shipping.	0.40	475.00	\$190.00
09/24/13	051	RH	Meeting with P. Kiracofe re: approved disbursements and future funding request.	0.40	475.00	\$190.00
09/25/13	051	RH	Call with DIP Lender regarding last weeks funding request that was never funded. Lender agreed to fund 100 percent of the request the following morning.	0.50	475.00	\$237.50
09/25/13	051	RH	Reviewed cash balance, approved certain disbursements. Met with P. Kiracofe	0.70	475.00	\$332.50
09/26/13	051	RH	Reconciled amount funded by Mesirow and remaining balance of DIP Loan.	0.60	475.00	\$285.00
09/26/13	051	RH	Reconciled 3 Citibank accounts.	0.70	475.00	\$332.50
09/27/13	051	RH	Meeting with P. Kiracofe to review bank balance, invoicing, and disbursements.	0.50	475.00	\$237.50
09/28/13	051	RH	At Debtor - call with A. Hirt re: funding and approved disbursements.	0.40	475.00	\$190.00
09/30/13	051	RH	Corresponded with G. Klausner re: balance of DIP loan and remaining funding requests.	0.30	475.00	\$142.50
09/30/13	051	RH	Calculation of cash in order to determine if payroll could be funded before Mesiroe funded.	0.30	475.00	\$142.50
09/03/13	061	RH	Prepared correspondence to DLP and Stutman regarding immediate cash needs and ability to fund immediate, necessary expenditures out of our current cash position.	0.30	475.00	\$142.50
09/12/13	061	RH	At the Debtor - read and reviewed Reservation of Rights letter sent by E. Smith and D. Fuller.	0.60	475.00	\$285.00
09/22/13	061	RH	Review with outside counsel re: expiration of corporate existence. Urgency to complete and file.	0.30	475.00	\$142.50
09/22/13	061	RH	With D. Fuller re: PTO claim analysis, pre-petition unpaid wages, accrued professional fees and ordinary expenses.	0.70	475.00	\$332.50
09/23/13	061	RH	Provided an update to J. Pazton County Administrator re: status of the auction and company.	0.50	475.00	\$237.50
09/25/13	061	RH	Correspondence re: reinstatement forms and funding.	0.20	475.00	\$95.00
09/27/13	061	RH	With B. Jullian re: timing of Superblack project.	0.40	475.00	\$190.00
09/24/13	074	RH	Preparation of time entities for fee application	2.50	475.00	\$1,187.50
09/26/13	074	RH	Prepared time report for fee application.	1.80	475.00	\$855.00

Client: ColorRep, Inc.

09/27/13	074	RH	Time reporting entries.	0.80	475.00	\$380.00
09/30/13	074	RH	Prepare time entries.	1.00	475.00	\$475.00
09/02/13	077	RH	Prepared and delivered Actual Operating result through 8/24, including bank reconciliations for all Citi and Union Bank accounts to A. Hirt.	2.10	475.00	\$997.50
09/03/13	077	RH	Revised and distributed updated board package for activity through 8/24.	0.70	475.00	\$332.50
09/06/13	077	RH	Reviewed receipts for the day, including status of ETI collections.	0.30	475.00	\$142.50
09/08/13	077	RH	Updated 13 Week Cash Flow with current disbursements, funding, and receipts.	1.30	475.00	\$617.50
09/09/13	077	RH	Call with P. Kiracofe re: accounting for payments to Anthem and other pre-petition disbursements, ie: utilities.	0.40	475.00	\$190.00
09/10/13	077	RH	At the Debtor - updated Cash Flow Model with actual disbursements, invoicing, cash transfers, and receipts. Started preparing Actual to Budget Management Report.	2.00	475.00	\$950.00
09/12/13	077	RH	At the Debtor - Meeting with B. Edminson re: material request list. Reviewed every line item and discussed the need and timing.	0.80	475.00	\$380.00
09/13/13	077	RH	Reviewed Bank balance and invoicing for the week ending 9/13.	0.30	475.00	\$142.50
09/15/13	077	RH	Communicated with J. McPherson; discuss and review Budget to Actual.	0.50	475.00	\$237.50
09/16/13	077	RH	Updated Cash Flow model with disbursements, receipts, payroll, invoicing, and receipts.	0.90	475.00	\$427.50
09/16/13	077	RH	Conference call with D Fuller and E. Smith re: DIP Budget, Budget to Actual report, level of future funding and other expenditure issues.	0.70	475.00	\$332.50
09/17/13	077	RH	Provided D. Fuller with budget data used for actual to budget tab.	0.20	475.00	\$95.00
09/17/13	077	RH	Reviewed invoicing and receipts.	0.30	475.00	\$142.50
09/19/13	077	RH	Completed and distributed Board Package of management reports for the period ending 9/14/2013.	1.40	475.00	\$665.00
09/24/13	077	RH	Updated 13 Week Cash Flow model with actual results.	1.10	475.00	\$522.50
09/24/13	077	RH	Call with B. Jullian re: commissions, reviewed schedule and prepared for funding.	0.70	475.00	\$332.50
09/25/13	077	RH	Review financial budget issues.	0.30	475.00	\$142.50
09/26/13	077	RH	Completed update to 13 Week Cash Flow, prepared Board Package with Actual, Actual to Budget, Disbursements, Funding and Cash Balance.	1.50	475.00	\$712.50
09/27/13	077	RH	Analyze accounts receivable balance for projection.	0.30	475.00	\$142.50
09/06/13	079	RH	Call with Sylvie Perron, Domtar, regarding Critical Vendor Status and timing for all future payments.	0.50	475.00	\$237.50
09/09/13	079	RH	Reviewed utility order and made arrangements to pay Dominion and Columbia.	0.40	475.00	\$190.00

Client:	ColorRep, Inc.					
09/09/13	079	RH	Approved certain expenditures based on a meeting with D. Wagner.	0.30	475.00	\$142.50
09/10/13	079	RH	At the Debtor - Call with Domtar re: critical vendor status, future needs, and status of the case.	0.70	475.00	\$332.50
09/11/13	079	RH	At the Debtor - call with Justin T (Mark Fox HR Group) re: outstanding pre and post petition invoices.	0.30	475.00	\$142.50
09/12/13	079	RH	At the Debtor - Communicated with Counsel re: Court Approved payments to Dominion Power. Researched Utility Escrow account which did not exist. Funds were in operating account.	0.60	475.00	\$285.00
09/13/13	079	RH	Calls with vendors re: timing of payment.	0.40	475.00	\$190.00
09/17/13	079	RH	Call with D. Fuller re: outstanding cure costs and the decision to assume or reject the contracts.	0.30	475.00	\$142.50
09/18/13	079	RH	Status update calls with vendors.	0.20	475.00	\$95.00
09/19/13	079	RH	Call with J. Byers of ETI, review vendor status.	0.40	475.00	\$190.00
09/19/13	079	RH	Environmental - researched outstanding bills for Virginia Dept of Environmental Quality.	0.30	475.00	\$142.50
09/20/13	079	RH	Met with Jeff Myers of ETI. Discussed status of the case, Debtor commitment to produce for ETI and the need for the Debtor to keep its time estimates and delivery dates.	3.50	475.00	\$1,662.50
09/23/13	079	RH	Call with B. Jullian re: contract and payable with AVA.	0.30	475.00	\$142.50
09/26/13	079	RH	Communicated with Stutman re: Critical Vendor Motion	0.30	475.00	\$142.50
09/26/13	079	RH	Approved payments to Landlord, Anthem, Payroll and other miscellaneous operating expenses.	0.50	475.00	\$237.50
09/26/13	079	RH	Call with Mike Mordente of Sensient regarding the status of the bankruptcy and their understanding of if they would receive their pre-petition claim.	0.80	475.00	\$380.00
09/27/13	079	RH	Call with Bonnie re: vendor issues.	0.50	475.00	\$237.50
09/30/13	079	RH	Review vendor balances.	0.50	475.00	\$237.50
09/03/13	086	RH	Calls/Emails with T. Belcastro (broker) re: status of the Workers Comp policy.	0.40	475.00	\$190.00
09/04/13	086	RH	Calls with B. Smiley re: dental insurance. Post petition amounts were paid to keep policy current but Anthem applied the payments to invoices.	0.60	475.00	\$285.00
09/09/13	086	RH	Calls with B. Smiley re: outstanding sales and use tax and Life Insurance with Sun Life.	0.70	475.00	\$332.50
09/11/13	086	RH	At the Debtor - Meeting with B. Smiley re: medical questionnaires and outstanding Anthem claims. Discussed the possibility of the company self funding outstanding claims.	0.70	475.00	\$332.50
09/24/13	086	RH	Two calls with Diane Loving (Anthem) re: current medical insurance.	1.00	475.00	\$475.00
09/24/13	086	RH	Conference call with B. Smiley and T. Belcastro regarding status of the bankruptcy and the needed information for the new entity to obtain a new policy.	0.70	475.00	\$332.50
09/24/13	086	RH	Meeting with Beverly and Call with H. Rubin of	0.80	475.00	\$380.00

Client: ColorRep, Inc.

			Mexon re: NY Disability Insurance.			
09/24/13	086	RH	Multiple calls with B. Smiley and an independent Insurance broker re: the opportunity to obtain competitive quotes for medical insurance.	0.80	475.00	\$380.00
09/27/13	086	RH	Meeting with Beverly re: Workers Comp and Medical Insurance issues - general	0.60	475.00	\$285.00
09/03/13	090	RH	Call with B. Smiley re: current benefits and personnel issues and concerns.	0.40	475.00	\$190.00
09/03/13	090	RH	Returned Call to B. Julian and discussed proposed employee reductions. Additionally, discussed the status of the case.	0.60	475.00	\$285.00
09/03/13	090	RH	Multiple calls/emails with representatives, the company and lender re: employee reductions.	1.20	475.00	\$570.00
09/04/13	090	RH	Reviewed commissions owed scheduled prepared by J. McPherson.	0.40	475.00	\$190.00
09/04/13	090	RH	Conference call with A. Hirt and R. Katz re: delay in staff reductions.	0.60	475.00	\$285.00
09/04/13	090	RH	Call with B. Smiley re: letters sent to employees noting outstanding back pay.	0.40	475.00	\$190.00
09/06/13	090	RH	Reviewed updated Commission schedule prepared by K. Wilkerson.	0.20	475.00	\$95.00
09/06/13	090	RH	Call/Email with B. Smiley re: 401K and Child Support funding requests.	0.30	475.00	\$142.50
09/08/13	090	RH	Bonnie Walker car rental expenses have not been paid. Spoke with B. Jullian about the arrangement and placed invoice on list for future funding.	0.50	475.00	\$237.50
09/11/13	090	RH	Daily operating tasks including conversations with many employees.	1.00	475.00	\$475.00
09/11/13	090	RH	At the Debtor - meeting with B. Smiley re: past due Child Support, options for medical insurance other than Anthem and outstanding Pension amounts due.	0.80	475.00	\$380.00
09/11/13	090	RH	At the Debtor - meeting with B. Smiley regarding payroll.	0.80	475.00	\$380.00
09/12/13	090	RH	At the Debtor - Prepared for "Town Hall" meeting scheduled for Friday the 13th. Addressed employee concerns in Charlotte and New York.	0.40	475.00	\$190.00
09/13/13	090	RH	At the Debtor - addressed issues raised by K. Devin in the NY Office.	0.60	475.00	\$285.00
09/16/13	090	RH	Corresponded with P. Harrell re: outstanding time and expense reports. Should be paid with payroll.	0.30	475.00	\$142.50
09/16/13	090	RH	Re: Staff Reductions. - Updated and completed a plan to terminate certain employees and to reduce others to part time status. Delivered the plan to the Board for their review and approval.	0.80	475.00	\$380.00
09/18/13	090	RH	Call with J. McPherson re: outstanding payroll issues.	0.40	475.00	\$190.00
09/19/13	090	RH	Call with B. Edminston re: 1) outstanding expenses, and 2) items approved for funding but not disbursed.	0.50	475.00	\$237.50
09/19/13	090	RH	Call with B. Walker re: outstanding expenses. Discussed cash flow with P. Kiracofe in order to pay	0.30	475.00	\$142.50

Client: ColorRep, Inc.

			Bonnie.			
09/23/13	090	RH	Call with B. Julian re: status of layoffs and next steps once the auction has been completed.	0.60	475.00	\$285.00
09/24/13	090	RH	Prepared and provided payroll schedule to DIP Lenders.	0.50	475.00	\$237.50
09/25/13	090	RH	Meeting with J. McPherson re: outstanding payroll, taxes, call with L. Levy.	0.50	475.00	\$237.50
09/25/13	090	RH	Spoke with B. Julian re: commissions. Met with K. Wilkerson to review commission due schedule.	0.90	475.00	\$427.50
09/26/13	090	RH	Provided DIP Lender with a schedule of proposed personnel changes.	0.40	475.00	\$190.00
09/26/13	090	RH	Conference call with DIP Lender, B. Boyd and R. Edminston to review payroll, roles and responsibilities of each employee.	0.80	475.00	\$380.00
09/03/13	099	RH	Call with A. Hirt re: cash in bank and immediate cash needs.	0.40	475.00	\$190.00
09/03/13	099	RH	Miscellaneous calls and emails regarding failed AC in the Computer room. Reviewed status of AC work and authorized certain repairs.	0.40	475.00	\$190.00
09/03/13	099	RH	Call with J. McPherson re: roles and responsibility of the management team.	0.30	475.00	\$142.50
09/03/13	099	RH	Call with A. Hirt re: past and present funding request. Reconciled what has been requested by not funded.	0.30	475.00	\$142.50
09/04/13	099	RH	Call with P. Kiracofe re: cash disbursements and receipts. Created list of outstanding, non-material, operating expenses that are passed due.	0.30	475.00	\$142.50
09/04/13	099	RH	Call with B. Boyd re: moral of the employees and correspondence sent by Stutman re: C&D letter sent to H. Mull.	0.70	475.00	\$332.50
09/04/13	099	RH	Call with R. Edminson re: immediate need for Blue Ink and pro-forma invoices for Sensient and Univar. Reviewed outstanding funding request.	1.10	475.00	\$522.50
09/04/13	099	RH	Call with A. Hirt re: Outstanding Funding request, open issues, production back log and cash balance.	0.40	475.00	\$190.00
09/06/13	099	RH	Call with B. Edminson re: items on prior lists that have not been funded. Worked with Bob to create a priority list that could be funded in accordance with the DIP Budget.	0.70	475.00	\$332.50
09/06/13	099	RH	Separate calls with R. Katz and D. Fuller re: the Lenders view that the company is in Default of the DIP Agreement. Notified representatives of Stutman that the company was likely to receive a default letter.	0.70	475.00	\$332.50
09/10/13	099	RH	At the Debtor - Call with D. Fuller re: Intellectual Property. Discussed need and reason to retain Fish and Assoc.	0.70	475.00	\$332.50
09/11/13	099	RH	At the Debtor - Meeting with B. Boyd to discuss employee concerns, opportunities to increase pricing, ways to track cost by sale and other various issues effecting the day to day operations.	0.90	475.00	\$427.50
09/11/13	099	RH	At the Debtor - multiple calls with A. Hirt and D.	0.60	475.00	\$285.00

Client: ColorRep, Inc.

Fuller re: cash flow, health insurance and various outstanding issues.

09/12/13	099	RH	At the Debtor - call with D. Fuller to review the Weekly Management Report.	0.60	475.00	\$285.00
09/12/13	099	RH	At the Debtor - call with D. Fuller re: funding request.	0.40	475.00	\$190.00
09/12/13	099	RH	At the Debtor - call with A. Hirt re: outstanding cash balance and payroll status.	0.40	475.00	\$190.00
09/12/13	099	RH	At the Debtor - call with R. Katz re: Reservation of Rights letter received by DIP Lender.	0.40	475.00	\$190.00
09/12/13	099	RH	Meeting with J. Paxton (Town Representative) and B. Boyd re: ways that the city of Harrisonburg could help us with the restructuring and turnaround.	2.00	475.00	\$950.00
09/12/13	099	RH	At the Debtor - Meeting with Beverly S re: Virginia Sales and Use Tax.	0.30	475.00	\$142.50
09/12/13	099	RH	At the Debtor - Call with G. Klausner re: outstanding funding requests and Lenders request to modify.	0.80	475.00	\$380.00
09/13/13	099	RH	At the Debtor - Addressed the entire company. Discussed status of insurance, bankruptcy, and back pay answered many questions about rumors.	1.10	475.00	\$522.50
09/13/13	099	RH	At the Debtor - meeting with B. Smiley re: outstanding invoices for : 401k, Sales and Use Tax, Workers Comp Insurance and Life Insurance.	0.60	475.00	\$285.00
09/16/13	099	RH	Conference call with representatives of FullerSmith, Stutman, and Fish regarding outstanding Patent issues. Discussed cost and timing of a plan to address.	1.00	475.00	\$475.00
09/17/13	099	RH	Call with J. McPherson re: D. Fullers questions regarding cure amounts.	0.20	475.00	\$95.00
09/17/13	099	RH	Call with B. Julian re: AVA Debt, Current Funding requests and outstanding commissions.	0.40	475.00	\$190.00
09/18/13	099	RH	Returned call to B. Boyd. Discussed a variety of issue effecting day to day business.	0.50	475.00	\$237.50
09/18/13	099	RH	Calls with D. Fuller re assumption or rejection of contracts.	0.40	475.00	\$190.00
09/18/13	099	RH	Call with B. Edminston re: outstanding expenses. Reconciled amounts from Bobs schedule to Pam's schedules.	0.20	475.00	\$95.00
09/19/13	099	RH	Call with B. Boyd re: variety of day to day operating issues.	0.40	475.00	\$190.00
09/22/13	099	RH	Conference call with prospective buyer re: APA.	1.00	475.00	\$475.00
09/23/13	099	RH	Met with B. Boyd to discuss status of the case, moral of the employees and timing for a close. Walked the plant in order to speak with some of the employees.	1.10	475.00	\$522.50
09/23/13	099	RH	Calls with G. Klausner of STG re: Back Pay and PTO calculations. Discussed negotiating with the buyer.	0.40	475.00	\$190.00
09/23/13	099	RH	Call with G. Klausner of STG re: budgeted closing expenses.	0.40	475.00	\$190.00
09/24/13	099	RH	Various calls with DIP Lender re: reporting requirements.	0.40	475.00	\$190.00
09/25/13	099	RH	Two calls with DIP Lender re: cash balances, payroll	0.70	475.00	\$332.50

Client: ColorRep, Inc.

			questions and Insurance.			
09/26/13	099	RH	Attended production meeting. Discussed status of the sale hearing. Reviewed maintenance priorities.	0.50	475.00	\$237.50
09/27/13	099	RH	Meeting with B. Edminston re production levels and backlog	0.40	475.00	\$190.00
09/27/13	099	RH	Conference call with G. Klausner proposed APA.	0.50	475.00	\$237.50
09/30/13	099	RH	Meet with B. Fellows re: AirDye samples created with the Super Black Applicator. Waiting for Sensient to scan the report prepared by the testing house.	0.30	475.00	\$142.50
09/09/13	104	RH	Conversations with various employees of Transprint re: the failed server. Request quotes for a new server.	0.50	475.00	\$237.50
09/11/13	104	RH	At the Debtor - updated Actual results with Payroll information for the week. Reconciled back to Payroll statements.	0.70	475.00	\$332.50
09/13/13	104	RH	Review operating issues.	0.90	475.00	\$427.50
09/16/13	104	RH	Call with B. Edminson re: recently placed Ink orders, timing for boxes and pallets.	0.60	475.00	\$285.00
09/17/13	104	RH	Update discussions with plant personnel.	0.30	475.00	\$142.50
09/17/13	104	RH	Call with B. Edminston re: numerous supply orders that were approved but not processed. Calculated aggregate amount and reserved until orders were processed.	0.70	475.00	\$332.50
09/19/13	104	RH	Completed cash flow model with Budget to Actual report.	1.20	475.00	\$570.00
09/23/13	104	RH	Met with B. Smiley to discuss PTO schedule. Created a spreadsheet to split out PTO into three buckets, pre - Jan 10, Jan 11 - July 10 and post-petition.	1.10	475.00	\$522.50
09/24/13	104	RH	Review environmental meeting with B. Fellows and P. Harrell re: DEQ and EPA reviews.	0.70	475.00	\$332.50
09/25/13	104	RH	Review outstanding issues.	0.40	475.00	\$190.00
09/25/13	104	RH	Meeting with B. Boyd, review operational and Chapter 11 issues.	0.70	475.00	\$332.50
09/26/13	104	RH	Met with B. Boyd to discuss operational concerns.	0.40	475.00	\$190.00
09/30/13	104	RH	Call with B. Edminston re: operational supply request list.	0.50	475.00	\$237.50
09/10/13	115	RH	At the Debtor - IP - call with Yansheng re: Patent 101298.	0.70	475.00	\$332.50
09/10/13	115	RH	At the Debtor - Intellectual Property - received inquiries regarding certain patents. Reviewed emails and participated in a call with Fish and Assoc. in order to understand their role and how they can help.	1.00	475.00	\$475.00
09/10/13	115	RH	At the Debtor - IP - call with G. Klausner re: outstanding IP issues and the lender's desire to fund a retainer for IP Counsel.	0.40	475.00	\$190.00
09/10/13	115	RH	At the Debtor - Call with Gabe (Hilco) re: sales process. Discussed the need for potential employee reductions and how that could effect the sales process.	0.70	475.00	\$332.50
09/15/13	115	RH	Reviewed portions of Asset Purchase Agreement draft prepared by Meserole and FS.	0.80	475.00	\$380.00

Client: ColorRep, Inc.

09/15/13	115	RH	Started schedule of Administrative and Post Closing expenses in order to properly negotiate APA with Mesiroe/FS	1.50	475.00	\$712.50
09/16/13	115	RH	Call with S. Brown (Charlotte landlord representative) re: lease termination and opportunity to relocate.	0.60	475.00	\$285.00
09/16/13	115	RH	Board call with Hilco Strembank re: status of marketing and overall sales process. Discussed interested parties.	1.00	475.00	\$475.00
09/16/13	115	RH	Corresponded with G. Klausner re: need to calculate Priority Wage claim by employee including those that are no longer with the company.	0.30	475.00	\$142.50
09/16/13	115	RH	Calculated 120 day Priority Wage Claim including all PTO owed during that period. Broke out current employees from those that are no longer with the company.	1.10	475.00	\$522.50
09/17/13	115	RH	Discussed opportunity to relocated our Charlotte office and terminate our current lease.	0.30	475.00	\$142.50
09/18/13	115	RH	Prepared and distributed estimated expenditures to be incurred between 9/13 and closing.	1.70	475.00	\$807.50
09/18/13	115	RH	Reviewed Credit Bid Notice, Credit Bid Purchase Agreement and Proposed Sale Order.	0.60	475.00	\$285.00
09/19/13	115	RH	Board call with Hilco re: Auction.	0.90	475.00	\$427.50
09/20/13	115	RH	Review and assess rejection of Charlotte lease.	0.30	475.00	\$142.50
09/20/13	115	RH	Read and reviewed suggested changes to APA made by Stutman.	0.70	475.00	\$332.50
09/22/13	115	RH	Prepared various schedules to be used in negotiating an APA. Calculated back pay and owed vacation time.	1.20	475.00	\$570.00
09/23/13	115	RH	Work to negotiate Charlotte Lease.	0.20	475.00	\$95.00
09/23/13	115	RH	Prepared a schedule of estimated operating expenses for buyer to pay at closing including back pay, pto, professional fees and operating expense.	1.10	475.00	\$522.50
09/23/13	115	RH	Prepared schedule of operating results for the DIP Lender.	0.60	475.00	\$285.00
09/23/13	115	RH	Call with Buyer to negotiate Sale of Transprint.	1.00	475.00	\$0.00
09/24/13	115	RH	Updated project closing expenses.	0.80	475.00	\$380.00
09/24/13	115	RH	Call with J. Resler (Stutman) re: projected closing expenses. Revised schedule per counsels request.	0.70	475.00	\$332.50
09/25/13	115	RH	Discussed the interest in assuming or rejecting the NY Lease.	0.30	475.00	\$142.50
09/26/13	115	RH	Revised and distributed Closing Cost Schedule to the Board and Seller.	0.30	475.00	\$142.50
09/26/13	115	RH	Reviewed outline of Business Points for proposed APA	0.70	475.00	\$332.50
09/26/13	115	RH	Updated Projected Closing Cost schedule, reviewed changes.	0.80	475.00	\$380.00
09/26/13	115	RH	Review APA Counterproposal prepared by Buyer.	0.40	475.00	\$190.00
09/30/13	115	RH	Call with Landlords counsel; review rejection of lease.	0.20	475.00	\$95.00

Client: ColorRep, Inc.

09/30/13	115	RH	Review issues with proposed APA.	0.50	475.00	\$237.50
09/12/13	116	RH	At the Debtor - met with J. McPherson re: completing Colorep and Transprint statements. Discussed status of case.	1.10	475.00	\$522.50
09/19/13	116	RH	Call with J. McPherson and M. Neumeister re: status of Business Renewals and steps to complete the process.	0.40	475.00	\$190.00
09/25/13	116	RH	Reviewed the Debtors files for bank statement.	0.60	475.00	\$285.00
09/03/13	122	RH	Communicated with B. Fellows and B. Julian regarding the testing of SuperBlack Sensient Ink and the potential timing to have it approved.	0.30	475.00	\$142.50
09/03/13	122	RH	Calls/Email with B. Edminson and J. Mahaffey re: production priorities.	0.40	475.00	\$190.00
09/06/13	122	RH	Call with B. Boyd re: a variety of personnel and production issues.	0.50	475.00	\$237.50
09/10/13	122	RH	At the Debtor - Toured the plant and met with certain employees in order to address their concerns.	1.00	475.00	\$475.00
09/12/13	122	RH	At the Debtor - Meeting with B. Fellow re: outstanding environmental issues. Discussed need for consulting agreement.	0.60	475.00	\$285.00
09/13/13	122	RH	At the Debtor - Only air compressor at the plant went out. Discussed situation with the maintenance team, evaluated options to repair the compressor internally, how long it would take to get parts and the ability to rent a compressor in the interim.	0.80	475.00	\$380.00
09/13/13	122	RH	At the Debtor - reviewed Production report. Discussed Back Log with R. Edminson.	0.30	475.00	\$142.50
09/17/13	122	RH	Call with B. Edminston re: supplies needed for production for the upcoming week and status of 9.12 funding request.	0.60	475.00	\$285.00
09/20/13	122	RH	Call with B. Edminston re: most important materials needed in order to prevent any delays in production.	0.60	475.00	\$285.00
09/25/13	122	RH	Meeting with R. Edminston re: production, materials and funding.	0.80	475.00	\$380.00
09/10/13	148	RH	Travel to Headquarters in Harrisonburg VA from Princeton NJ.	5.50	0.00	\$0.00
09/13/13	148	RH	Travel from Debtors Headquarters in Harrisonburg VA to Princeton NJ.	5.60	0.00	\$0.00
09/23/13	148	RH	Princeton NJ to Harrisonburg VA	5.50	0.00	\$0.00
09/27/13	148	RH	Travel from Princeton, NJ to Harrisonburg, VA	6.00	0.00	\$0.00
			Totals for: Hauer, Richard	187.40	415.18	\$77,805.00

Katz, Robert**Managing Director**

Date	Task	Tmkp	Description	Hours Worked	Rate	Fees Billed
09/13/13	046	RK	Call with the Board of Directors and Counsel.	1.10	525.00	\$577.50
09/18/13	046	RK	Status call with BOD; also review the auction process with Hilco Global; and outline next steps.	0.90	525.00	\$472.50
09/04/13	047	RK	Review work plan status of the patents and discuss next steps.	0.80	525.00	\$420.00

Client: ColorRep, Inc.

09/23/13	047	RK	Call with stakeholders including counsel to review the outstanding offer; discuss counter proposal and steps to resolve.	1.30	525.00	\$682.50
09/26/13	062	RK	Prepare for and attend telephonic court hearing.	1.10	525.00	\$577.50
09/04/13	074	RK	Prepare fee application.	1.00	525.00	\$525.00
09/03/13	077	RK	Review financial performance and discussions re upload into the DD venue; work on variance analysis.	0.80	525.00	\$420.00
09/04/13	077	RK	Review cash disbursements request; compare to budget; discuss with AH and DF AH of the lending group and DF of the proposed lending group; discuss and review variances.	0.80	525.00	\$420.00
09/04/13	077	RK	Conference call with lender to review status of funding.	1.10	525.00	\$577.50
09/10/13	077	RK	Work on and review the budget to actual report.	1.00	525.00	\$525.00
09/13/13	077	RK	Conference call to review budget to actual comparison with lender and follow up on questions.	0.90	525.00	\$472.50
09/18/13	077	RK	Review funding request and compare it to budget.	0.60	525.00	\$315.00
09/23/13	077	RK	Work on sale and closing cost schedule to prepare for sale motion and hearing.	0.60	525.00	\$315.00
09/24/13	077	RK	Continue working on projection to accompany counter proposal.	0.80	525.00	\$420.00
09/27/13	077	RK	Work on financial forecast and budget to actual reporting; review the Board Package and work to negotiate the transition plan and settlement.	1.30	525.00	\$682.50
09/02/13	113	RK	Prepare weekly status report on case progress and timing.	1.10	525.00	\$577.50
09/06/13	113	RK	Prepare weekly status report; comparison to budget; funding request for materials and supplies; review health care and lenders position.	0.90	525.00	\$472.50
09/19/13	115	RK	Call with representatives of Stream Bank; review bids; offers and status - also discuss next steps for the hearing next week.	0.90	525.00	\$472.50
09/24/13	115	RK	Work on updating closing cost schedule and projections for this week. Work on projections for closing of transaction.	0.90	525.00	\$472.50
09/26/13	115	RK	Review and comment on APA; sale of the business and attached schedules; work and prepare to present at Court hearing.	1.30	525.00	\$682.50
09/26/13	115	RK	Continue working on cash flows and schedules re APA; participate in conference call regarding sale of the business.	0.90	525.00	\$472.50
09/30/13	115	RK	Work on updating the closing schedule and expenses as an exhibit to the APA.	0.80	525.00	\$420.00
09/30/13	115	RK	Work on reviewing commenting and negotiating the A/P/A agreement.	0.90	525.00	\$472.50
09/16/13	116	RK	Continue working on August MOR's for Colorep and Transprint.	0.70	525.00	\$367.50
09/17/13	116	RK	Work on August MOR's provide comments and review schedules.	0.60	525.00	\$315.00

Client: ColorRep, Inc.

09/17/13	116	RK	Continue to work and finalize August MOR's.	0.70	525.00	\$367.50
09/18/13	116	RK	Work on and review August MOR's for Transprint and Colorep.	0.90	525.00	\$472.50
09/19/13	116	RK	Work on the August MOR's for Colorep and Transprint.	0.90	525.00	\$472.50
			Totals for: Katz, Robert	25.60	525.00	\$13,440.00
			TOTALS :	213.00		\$91,245.00

Client: ColorRep, Inc.

ColorRep, Inc.

Executive Sounding Board Associates Inc.
Summary of Time Incurred by Project

09/01/13 - 09/30/13

<u>Project Description</u>	<u>Task Codes</u>	<u>Hours</u>	<u>Fees</u>
Board Of Directors- BOD	046	5.90	\$2,902.50
Business Analysis & Planning	047	14.70	\$7,087.50
Case Administration	050	7.70	\$3,657.50
Cash Management	051	23.40	\$11,115.00
Correspondence	061	3.00	\$1,425.00
Ct Hearing & Preparation	062	1.10	\$577.50
Preparation of Application	074	7.10	\$3,422.50
Financial Stmt's & Projections	077	23.70	\$11,652.50
Vendor	079	10.80	\$5,130.00
Insurance	086	6.30	\$2,992.50
Personnel issues	090	14.20	\$6,745.00
Meetings	099	22.90	\$10,877.50
Operations & Fin Analysis	104	8.70	\$4,132.50
Report Preparation	113	2.00	\$1,050.00
Sale of Busin & Related issues	115	27.10	\$12,682.50
Schedules - Bankruptcy	116	5.90	\$2,992.50
Manufacturing	122	5.90	\$2,802.50
Travel time -client	148	22.60	\$0.00
	Totals	<u>213.00</u>	<u>\$91,245.00</u>

ColorRep, Inc.

Executive Sounding Board Associates Inc.
Summary of Time Incurred by Professional Fees by Month

10/01/13 - 10/31/13

Name of Professional Person	Position of the Applicant	Hourly Billing Rate (including changes)	Hours	Fees
Hauer, Richard	Managing Director	393.97	146.55	\$57,736.25
Katz, Robert	Managing Director	464.66	26.10	\$12,127.50
Abdulayev, Sabir	Consultant	225.00	7.10	\$1,597.50
Total Hours and Fees			<u>179.75</u>	<u>\$71,461.25</u>
Blended Rate		\$397.56		

Client: ColorRep, Inc.

Client: ColorRep, Inc.

Hauer, Richard**Managing Director**

Date	Task	Tmkp	Description	Hours Worked	Rate	Fees Billed
10/01/13	051	RH	Reconciled 3 Citibank accounts.	0.60	475.00	\$285.00
10/01/13	051	RH	Call with P. Kiracofe re: cash availability and approved disbursements.	0.40	475.00	\$190.00
10/01/13	077	RH	Review status, cash availabilities, and outstanding funding request.	0.30	475.00	\$142.50
10/01/13	077	RH	Updated Board package with current disbursements, invoices and cash balances.	1.00	475.00	\$475.00
10/01/13	086	RH	Insurance issues - call with D. Loving (Antehem) re: transition.	0.40	475.00	\$190.00
10/01/13	086	RH	Call with D. Loving re: allocation of recent \$75k payment and plan for NewCo.	0.40	475.00	\$190.00
10/01/13	090	RH	Call with B. Smiley re: weekly payroll.	0.30	475.00	\$142.50
10/01/13	099	RH	Call with D. Fuller (DIP Lender) re: outstanding funding request, schedule and status of APA.	0.30	475.00	\$142.50
10/01/13	104	RH	Call with J. McPherson re: status of negotiations, ability to make payroll, need to speak with Domtar representatives, and other daily operating issues.	0.70	475.00	\$332.50
10/01/13	115	RH	Call with J. McPherson re: status of APA, cash availability, cash usage and insurance questions.	0.40	475.00	\$190.00
10/01/13	115	RH	Corresponded with J. Resler (Stutman) re: closing cost schedule. Updated schedule for recent DIP funding and disbursements.	1.10	475.00	\$522.50
10/01/13	122	RH	Call with R. Edminston re: production and material needs. Discussed short term cash constraints and status of APA.	0.60	475.00	\$285.00
10/02/13	047	RH	Finalized and distributed updated board package.	1.10	475.00	\$522.50
10/02/13	047	RH	Call with J. McPherson re: categorization of certain vendors, discussed reoccurring expenses vs monthly.	0.40	475.00	\$190.00
10/02/13	047	RH	Finalized 13 Week Cash Flow, Actual to Budget reports.	0.90	475.00	\$427.50
10/02/13	051	RH	Call with P. Kiracofe re: outstanding consulting invoices and related expense reimbursements. Planned for future cash needs basis on expected receipts.	0.70	475.00	\$332.50
10/02/13	051	RH	Reviewed daily cash balance and receipts.	0.20	475.00	\$95.00
10/02/13	062	RH	Prepare for court call on 10/3.	0.30	475.00	\$142.50
10/02/13	077	RH	Read and responded to various emails with DIP Lender, Counsel for DIP Lender, Stutman.	0.30	475.00	\$142.50
10/02/13	079	RH	Call with B. Jullian re: AVA.	0.20	475.00	\$95.00
10/02/13	079	RH	Communication re: outstanding invoice for Summit.	0.40	475.00	\$190.00

Client: ColorRep, Inc.

Arranged for payment.

10/02/13	090	RH	Update with B. Smiley re: outstanding 401k, Child Support, etc.	0.60	475.00	\$285.00
10/02/13	090	RH	Call with K. Wilkerson re: commission schedule.	0.30	475.00	\$142.50
10/02/13	115	RH	Call with J. Resler of STG re: updated closing cost schedule.	0.30	475.00	\$142.50
10/02/13	115	RH	Review sales transition process.	0.70	475.00	\$332.50
10/02/13	115	RH	Call re: outstanding invoices to Hilco, reviewed invoices and made partial payment.	0.50	475.00	\$237.50
10/02/13	115	RH	Call with D. Fuller re: APA.	0.40	475.00	\$190.00
10/02/13	115	RH	Reviewed certain portions of revised APA.	0.70	475.00	\$332.50
10/02/13	115	RH	Call with E. Smith re: allocation of future expenses between Transprint and AirDye.	0.50	475.00	\$237.50
10/02/13	122	RH	Call with B. Edminton re: installation of the Pulse Heater in Portugal.	0.50	475.00	\$237.50
10/03/13	051	RH	Call with P. Kiracofe re: daily disbursements.	0.30	475.00	\$142.50
10/03/13	051	RH	Reviewed daily receipts and cash balances.	0.20	475.00	\$95.00
10/03/13	074	RH	Prepare time entries for fee application.	0.80	475.00	\$380.00
10/03/13	077	RH	Call with J. McPherson re: cash available, status of closing, etc.	0.30	475.00	\$142.50
10/03/13	079	RH	Call with Sylvie (Domtar) re: outstanding balance, immediate need for paper, timing of delivery and new terms.	0.70	475.00	\$332.50
10/03/13	079	RH	Communicated with M. Mordente of Sensient.	0.30	475.00	\$142.50
10/03/13	079	RH	Call with R. Edminton re: paper delivery.	0.20	475.00	\$95.00
10/03/13	090	RH	Call with B. Smiley re: outstanding benefits.	0.30	475.00	\$142.50
10/03/13	099	RH	Call with E. Smith and A. Hurt re: transition to NewCo.	0.40	475.00	\$190.00
10/03/13	115	RH	Reviewed revised APA, compared certain financial terms to budget closing cost schedule.	0.30	475.00	\$142.50
10/03/13	115	RH	Call with DIP Lender (D. Fuller) re: outstanding work in order to transition the company to NewCo. Reviewed closing cost schedule.	0.60	475.00	\$285.00
10/03/13	115	RH	Updated Projected Closing Cost schedule.	0.40	475.00	\$190.00
10/03/13	115	RH	Call with G. Klausner re: closing cost schedule and other closing documents.	0.40	475.00	\$190.00
10/04/13	061	RH	Reviewed and responded to a Notice to Employees and list of task for transition.	0.40	475.00	\$190.00
10/04/13	099	RH	Call with D. Fuller re: transition.	0.40	475.00	\$190.00
10/04/13	099	RH	Call with A. Hirt, E. Smith and Counsel re: transition tasks.	0.60	475.00	\$285.00
10/04/13	115	RH	Prepared and delivered to DIP Lender, schedule of personnel, payroll and an organizational chart.	0.50	475.00	\$237.50
10/04/13	115	RH	Call with B. Julian re: Sale hearing, closing schedule and potential personnel changes.	0.40	475.00	\$190.00
10/04/13	115	RH	Calls with J. Resler and G. Klausner re: sale hearing	0.60	475.00	\$285.00

Client: ColorRep, Inc.

			and closing documents.			
10/06/13	090	RH	Read and reviewed correspondence between the Debtor or NewCo and the employees, including an offer letter.	0.80	475.00	\$380.00
10/06/13	090	RH	Reviewed and finalized letter to employees re: their termination from Transprint.	0.70	475.00	\$332.50
10/06/13	099	RH	Call/Emails with E. Smith, D. Fuller and A. Hirt re: expected changes in personnel.	0.60	475.00	\$285.00
10/06/13	104	RH	Review outstanding operating issues.	0.40	475.00	\$190.00
10/06/13	115	RH	Call with J. Resler re: miscellaneous issues associated with the sale of the Company.	0.40	475.00	\$190.00
10/06/13	115	RH	Call with E. Smith re: the Sale Order entered into the court, outstanding issues necessary to close.	0.50	475.00	\$237.50
10/07/13	045	RH	Meeting with Beverly Smiley re: Anthem and Cobra options for those employees that were not being hired by AirDye.	0.60	475.00	\$285.00
10/07/13	045	RH	Answered numerous questions from employees re: insurance, back pay, and transition procedures, benefits, employee, and pension plans	0.50	475.00	\$237.50
10/07/13	047	RH	Call with B. Julian regarding new compensation structure for Sales personnel. Addressed AirDye desire to hire some on a temporary, 1099 basis.	0.60	475.00	\$285.00
10/07/13	047	RH	Call with D. Fuller to discuss transition process.	0.50	475.00	\$237.50
10/07/13	051	RH	Meetings with B. Edminston and P. Kirakofe re: expenditures and wires for the day.	0.70	475.00	\$332.50
10/07/13	061	RH	Worked with P. Kirakofe to prepare a letter to all vendors and customers regarding the status of Transprint. Written correspondence- drafts, review, etc.	0.70	475.00	\$332.50
10/07/13	090	RH	Multiple calls with R. Katz re: status of closing, procedures for employee terminations and various other issues related to transition.	0.40	475.00	\$190.00
10/07/13	090	RH	Assisted E. Smith in the review of employees expertise and skills. Met with B. Boyd to discuss various employees strengths and weaknesses.	0.90	475.00	\$427.50
10/07/13	090	RH	Call with B. Jullian and E. Smith re: expected changes to the New York office, change in compensation schedule for sales staff and Charlotte personnel.	0.90	475.00	\$427.50
10/07/13	090	RH	Attended meeting with B. Smiley and E. Smith with the employees that were not being offered employment with AirDye.	0.50	475.00	\$237.50
10/07/13	090	RH	Meetings/Calls/Emails with E. Smith and J. McPherson regarding Johns future with AirDye.	0.60	475.00	\$285.00
10/07/13	099	RH	Meeting with J. McPherson re: moving the Charlotte office, need to set up new GL's and inventory levels.	0.50	475.00	\$237.50
10/07/13	099	RH	Meeting with E. Smith re: transition process, reviewed employees roles.	0.60	475.00	\$285.00
10/07/13	099	RH	Prepared for, and attended "Town Hall" meetings with all of the employees. Notified the employees of the sales of the business and what could be expected.	1.00	475.00	\$475.00

Client: ColorRep, Inc.

10/07/13	099	RH	Call with J. Resler, STG re: outstanding closing issues.	0.40	475.00	\$190.00
10/07/13	110	RH	Communicated with the Landlord of the Charlotte office re: relocating.	0.20	475.00	\$95.00
10/07/13	110	RH	Communicated with Counsel for the NY Office Landlord.	0.20	475.00	\$95.00
10/07/13	115	RH	Finalized and printed letters to employees regarding the sale of the business, created packages of documents for employees and reconciled Back Pay calculation.	1.10	475.00	\$522.50
10/07/13	115	RH	Attended to numerous issues associated with the sale of the business.	0.60	475.00	\$285.00
10/07/13	148	RH	Princeton NJ to Harrisonburg VA	5.50	0.00	\$0.00
10/08/13	045	RH	Worked with B. Smiley to reconcile outstanding PTO between Pre- Jan 10, Jan 11 through July 10th and Post Petition.	0.70	475.00	\$332.50
10/08/13	045	RH	Worked with B. Smiley to reconcile Back Pay based on employee concerns.	0.80	475.00	\$380.00
10/08/13	047	RH	Worked with various employees to locate the appropriate logo for AirDye.	0.40	475.00	\$190.00
10/08/13	047	RH	Meeting with P. Kirakofe re: accounting for AirDye, posting of receivables and invoices.	0.70	475.00	\$332.50
10/08/13	051	RH	Meeting with P. Kirakoffe re: cash management for non material operating expenditures.	0.40	475.00	\$190.00
10/08/13	061	RH	Obtained new bank information for AirDye and completed letter to the customers.	0.80	475.00	\$380.00
10/08/13	061	RH	Call with B. Jullian re: customer list, and letter to customers.	0.30	475.00	\$142.50
10/08/13	061	RH	Call with B. Walker re: sending the Customer letter to her customer.	0.30	475.00	\$142.50
10/08/13	077	RH	Completed entries into Cash Flow model and reconciled to checking accounts.	1.10	475.00	\$522.50
10/08/13	079	RH	Meeting with B. Edminston re: vendor list and need to notify all vendors of the changes.	0.70	475.00	\$332.50
10/08/13	085	RH	Meeting with K. Wilkerson and E. Smith re: existing systems and estimated costs for necessary upgrades.	0.70	475.00	\$332.50
10/08/13	085	RH	Communicated with representatives of the buyer and the information technologies group regarding new email addresses.	0.60	475.00	\$285.00
10/08/13	090	RH	Call with B. Jullian and E. Smith re: Bonnie's concerns with personnel changes and the proposed commission structure.	1.00	475.00	\$475.00
10/08/13	090	RH	Calls with E. Smith and B. Walker re: her role and responsibilities, her clients concerns and her opinions of how the Sales team works together.	0.90	475.00	\$427.50
10/08/13	090	RH	Call with B. Jullian and B. Waker re: M. Lambe decline letter.	0.40	475.00	\$190.00
10/08/13	099	RH	Meeting with B. Edminston re: material needs for the week, new budget approval procedures and outstanding repair list.	0.70	475.00	\$332.50

Client: ColorRep, Inc.

10/08/13	099	RH	Meeting with E. Smith re: transition process.	0.60	475.00	\$285.00
10/08/13	099	RH	Attended meetings with B. Smiley and terminated employees to discuss procedures and benefits.	1.20	475.00	\$570.00
10/08/13	099	RH	Call with Kim Devin re: proposed Commission structure, Job security and ability to work with other members of the sales team.	1.00	475.00	\$475.00
10/08/13	099	RH	Meeting with E. Smith and B. Boyd re: Bills opinion of the sales team, proposed changes and other people that have worked for Transprint in the past that might be helpful to AirDye.	0.70	475.00	\$332.50
10/08/13	099	RH	Meeting with B. Fellows re: outstanding invoices and expenses.	0.30	475.00	\$142.50
10/08/13	099	RH	Meeting with E. Smith regarding competition and the sale of AirDye. Discussed Harlot Mull.	0.30	475.00	\$142.50
10/08/13	110	RH	Call with B. Walker re: relocation of Charlotte Office.	0.40	475.00	\$190.00
10/08/13	110	RH	Call with S. Brown LL representative re: relocation of Charlotte Office	0.30	475.00	\$142.50
10/09/13	045	RH	Call with P. Hess re: proposed personnel changes and NY responsibilities.	0.40	475.00	\$190.00
10/09/13	045	RH	Call with B. Jullian and K. Wikerson re: September's commission due.	0.40	475.00	\$190.00
10/09/13	045	RH	Reviewed weekly payroll report with B. Smiley.	0.30	475.00	\$142.50
10/09/13	047	RH	Addressed incorrect AirDye Logo with a non working phone number. Discussed alternatives.	0.40	475.00	\$190.00
10/09/13	051	RH	Correspondence with Citibank re: New accounts for AirDye.	0.20	475.00	\$95.00
10/09/13	051	RH	Call with D. Fuller re: funding request.	0.40	475.00	\$190.00
10/09/13	051	RH	Meeting with P. Kirafofe regarding future cash usage and the related accounting. Prepared formal funding request for AirDye	1.10	475.00	\$522.50
10/09/13	061	RH	Revised Letter to Vendors.	0.30	475.00	\$142.50
10/09/13	074	RH	Prepared notes regarding task completed for Fee Application.	1.20	475.00	\$570.00
10/09/13	079	RH	Meeting with B. Edminston re: relationship with Domtar and need to negotiate an agreement. Also reviewed material requests.	0.70	475.00	\$332.50
10/09/13	085	RH	Addressed: problems with Transprint emails not working.	0.30	475.00	\$142.50
10/09/13	086	RH	Meeting with B. Smiley re: Insurance options and Anthem policy.	0.60	475.00	\$285.00
10/09/13	086	RH	Call with D. Loving re: status of medical Insurance.	0.70	475.00	\$332.50
10/09/13	090	RH	Call with Hazel regarding her desire to leave Transprint and not work for AirDye. Discussed her value to Transprint and the desire for her to continue.	0.60	475.00	\$285.00
10/09/13	090	RH	Call with K. Devin regarding her concerns and questions. about working for AirDye.	0.80	475.00	\$380.00
10/09/13	090	RH	Worked with B. Smiley to update and correct offer letter for some of the Sales team.	1.10	475.00	\$522.50

Client: ColorRep, Inc.

10/09/13	099	RH	Call with D. Fuller and E. Smith re: material needs.	0.20	475.00	\$95.00
10/09/13	099	RH	Call with Vimala regarding her concerns with working for AirDye, her salary and co-workers.	0.70	475.00	\$332.50
10/09/13	099	RH	Call with E. Smith and J. Byers of ETI regarding the Sales Hearing and changes at AirDye.	0.70	475.00	\$332.50
10/09/13	099	RH	Call with E. Smith and B. Julian re: Transitoin issues.	0.40	475.00	\$190.00
10/09/13	099	RH	Communicated with E. Smith regarding outstanding transition issues.	0.20	475.00	\$95.00
10/09/13	110	RH	Call with S. Brown regarding paperwork confirming relocation.	0.30	475.00	\$142.50
10/09/13	122	RH	Walked through the plant and discussed various concerns and questions.	1.10	475.00	\$522.50
10/10/13	045	RH	Meeting with P. Kiracofe re: funding for Payroll.	0.30	475.00	\$142.50
10/10/13	047	RH	Meeting with D. Butler re: contract for new Internet service with Comcast.	0.30	475.00	\$142.50
10/10/13	051	RH	Call with D. Fuller re: outstanding funding request.	0.30	475.00	\$142.50
10/10/13	051	RH	Contacted and communicated with Citbank re: change in account status and need for new accounts.	0.20	475.00	\$95.00
10/10/13	051	RH	Funding request.	0.30	475.00	\$142.50
10/10/13	061	RH	Meeting with K. Wiklerson re: vendor and customer lists for mailing letters.	0.30	475.00	\$142.50
10/10/13	074	RH	Prepared task descriptions for Fee Application.	1.50	475.00	\$712.50
10/10/13	077	RH	Review outstanding transition issues, preparing reports.	0.40	475.00	\$190.00
10/10/13	079	RH	Call with R. Katz re: outstanding fees for Pension Audit.	0.30	475.00	\$142.50
10/10/13	079	RH	Meeting with D. Wagner re: shipping expenses.	0.20	475.00	\$95.00
10/10/13	090	RH	Meeting with B. Boyd re: potential changes in Personnel and the potential impact on the sales team.	0.60	475.00	\$285.00
10/10/13	090	RH	Call with Vamala re: her interest in working for AirDye. Addressed numerous questions.	0.30	475.00	\$142.50
10/10/13	090	RH	Meeting with B. Smiley to review which employees had signed the release. Worked with Beverly to update certain offer letters.	0.50	475.00	\$237.50
10/10/13	090	RH	Call with B. Jullian re: NY Personnel: Portio and Myriam. Updated employment letters.	0.60	475.00	\$285.00
10/10/13	099	RH	Call with B. Walker re: changes to compensation structure and office relocation.	0.30	475.00	\$142.50
10/10/13	110	RH	Call with S. Brown landlord representative regarding the relocation of the Charlotte office.	0.30	475.00	\$142.50
10/10/13	116	RH	Reviewed pervious MOR's, reviewed J. McPherson's computers for past schedules and met with P. Kirakofe re: MOR's.	1.50	475.00	\$712.50
10/10/13	148	RH	Princeton NJ to Harrisonburg VA	5.50	0.00	\$0.00
10/11/13	047	RH	Call with B. Smiley re: PB Mares Warrent.	0.40	475.00	\$190.00
10/11/13	061	RH	Call with P. Kirakofe re: letters to Vendors, new logo and banking information due to changes from	0.40	475.00	\$190.00

Client: ColorRep, Inc.

Citibank, to Republic and back to Citi.

10/11/13	086	RH	Call with I. Eskenerie re: status of D&O Policy.	0.70	475.00	\$332.50
10/11/13	099	RH	Call with B. Edminston re: necessary funds for the installation of the Pulse Heaters. Discussed changes to funding request procedures.	0.50	475.00	\$237.50
10/11/13	099	RH	Call with K. Wilkerson re: outstanding transition issues and company moral.	0.50	475.00	\$237.50
10/11/13	099	RH	Responded to various emails from E. Smith re: outstanding transition issues.	0.30	475.00	\$142.50
10/11/13	110	RH	Communicated with S. Marrowish, counsel for NY Landlord.	0.20	475.00	\$95.00
10/11/13	110	RH	Call with S. Simmons, landlord for NY. Negotiate an agreement to avoid default. Discussed possibility of a long term deal.	0.50	475.00	\$237.50
10/11/13	115	RH	Call with J. Resler re: procedures subsequent to closing associated with terminated employees.	0.50	475.00	\$237.50
10/11/13	116	RH	Work on September MOR's.	1.10	475.00	\$522.50
10/13/13	051	RH	Reviewed cash balance and invoice reports.	0.20	475.00	\$95.00
10/13/13	122	RH	Reviewed plant maintenance list prepared by B. Edminston .	0.40	475.00	\$190.00
10/14/13	047	RH	Communicated with E. Smith re: Debs, AVA and NY Office.	0.30	475.00	\$142.50
10/14/13	077	RH	Call with B. Smiley re: pay back calculation. Worked to reconcile employee differences.	0.50	475.00	\$237.50
10/14/13	079	RH	Made introductions between vendors and new management team.	0.80	475.00	\$380.00
10/14/13	086	RH	Call with D. Loving of Anthem re: need for AirDye to have a new policy.	0.50	475.00	\$237.50
10/14/13	110	RH	Coordinated with NY Landlord for October payment. Confirmed wiring instructions.	0.30	475.00	\$142.50
10/14/13	115	RH	Call with B. Smiley re: list of employees being employed by AirDye and a list of which documents have been completed and signed.	0.70	475.00	\$332.50
10/14/13	116	RH	Call with P. Kiracofe to review MOR's	1.10	475.00	\$522.50
10/14/13	116	RH	Worked to complete September MOR's.	0.50	475.00	\$237.50
10/15/13	051	RH	Provided information to Citibank in order to complete changes to the accounts.	0.20	475.00	\$95.00
10/15/13	074	RH	Prepared time report descriptions for fee application.	1.20	475.00	\$0.00
10/15/13	074	RH	Prepare time report for two weeks.	0.70	475.00	\$332.50
10/15/13	079	RH	Call with P. Hess re: relationship with AVA.	0.50	475.00	\$237.50
10/15/13	079	RH	Call with P. Kirakofe re: outstanding invoices for Leaf.	0.30	475.00	\$142.50
10/15/13	086	RH	Communicated with representatives of Fuller Smith status of issues relating to medical insurance with Anthem.	0.30	475.00	\$142.50
10/15/13	110	RH	Call with NYC Landlord re: receipt of October rent. Provided necessary confirmation.	0.30	475.00	\$142.50
10/15/13	110	RH	Communicated with representatives of Stutman re: NY	0.30	475.00	\$142.50

Client: ColorRep, Inc.

			Lease.			
10/15/13	115	RH	Communicated with M. Neumeister re: outstanding transition issues including payment to vendors, and outstanding leases.	0.50	475.00	\$237.50
10/15/13	116	RH	Continue working on September MOR's.	1.60	475.00	\$760.00
10/16/13	047	RH	Misc calls/emails with representative of FullerSmith re: outstanding transition issues.	1.30	475.00	\$617.50
10/16/13	099	RH	Various emails and telephone calls regarding outstanding transition issues including NY and Charlotte real estate, equipment leases, and insurance.	2.20	475.00	\$1,045.00
10/16/13	099	RH	Call with E. Smith and D. Fuller re: outstanding transition issues.	1.00	475.00	\$475.00
10/17/13	047	RH	Call with J. Byers, ETL. Addresses variety of questions regarding AirDye and the go forward business.	0.80	475.00	\$380.00
10/17/13	079	RH	Call with Philip re: AVA	0.30	475.00	\$142.50
10/17/13	079	RH	Call/Emails with D. Fuller re travel schedule and meeting times for appointment with ETL.	0.30	475.00	\$142.50
10/17/13	086	RH	Call with B. Smiley re: discussions with Anthem.	0.30	475.00	\$142.50
10/17/13	086	RH	D&O Policy, review and discussions.	0.30	475.00	\$142.50
10/17/13	104	RH	Review and analyze operational issues.	0.80	475.00	\$380.00
10/17/13	115	RH	Call with G. Klausner re: questions regarding purchases ability to comply with the APA.	0.50	475.00	\$237.50
10/17/13	116	RH	Call with P. Kirakofe to review Sept. MOR's	0.70	475.00	\$332.50
10/17/13	122	RH	Reviewed production metrics.	0.20	475.00	\$95.00
10/18/13	045	RH	Call with B. Smiley re: reconciliation of Back Pay.	0.50	475.00	\$237.50
10/18/13	047	RH	Received 401K Warrants.	0.50	475.00	\$237.50
10/18/13	074	RH	Prepared description of tasks completed for Fee Application.	1.20	475.00	\$570.00
10/18/13	074	RH	Work on fee application and time report for October.	1.80	475.00	\$0.00
10/18/13	086	RH	Call with D. Loving (Anthem) re: status of new policy.	0.40	475.00	\$190.00
10/18/13	110	RH	Communicated with S. Brown re: relocating phones, computers and printer in the Charlotte office.	0.20	475.00	\$95.00
10/18/13	115	RH	Miscellaneous correspondence with Amber Doreer re: status of insurance and real estate.	0.30	475.00	\$142.50
10/18/13	115	RH	Call with J. Resler re: AirDye responsibilities per the Asset Purchase Agreement	0.30	475.00	\$142.50
10/18/13	116	RH	Continue working on September MOR's.	0.80	475.00	\$380.00
10/21/13	047	RH	Responded to various emails from G. Klausner (Stutman), J. Paxton (County Administrator) and Vendors.	0.40	475.00	\$190.00
10/21/13	079	RH	Call with P. Kirakofe re: leases for stamp machines and other office equipment.	0.20	475.00	\$95.00
10/21/13	086	RH	Discussions re: status of new health insurance policy re: AirDye.	0.50	475.00	\$237.50
10/22/13	051	RH	Reviewed weekly funding request in order to speak with D. Fuller.	0.20	475.00	\$95.00

Client: ColorRep, Inc.

10/22/13	086	RH	Call with B. Smiley re: transition issues.	0.30	475.00	\$142.50
10/22/13	115	RH	Miscellaneous calls and emails with representatives of FullerSmith re: outstanding transition issues, including the assumption of certain equipment leases.	0.40	475.00	\$190.00
10/23/13	061	RH	Discussion with J. Paxton, County Supervisor.	0.20	475.00	\$95.00
10/23/13	079	RH	Read proposed contract from AVA.	0.40	475.00	\$190.00
10/23/13	079	RH	Call with P. Hess re: AVA outstanding balance and the need for AVA in the go forward business.	0.40	475.00	\$190.00
10/23/13	099	RH	Meeting with Principles of ETI regarding the transition and how it would effect future business.	1.00	475.00	\$475.00
10/23/13	099	RH	Meeting with B. Boyd re: progress of transition issues including need for outside consultants for color matching, potential joint ventures and opportunity to outsource engraving.	0.60	475.00	\$285.00
10/23/13	099	RH	Meeting with E. Smith (FullerSmith) re: outstanding transition issues; including Payroll, Personnel, Back-Pay, NY and Charlotte Offices and Equipment leases.	0.60	475.00	\$285.00
10/23/13	110	RH	Calls/Emails with S. Simmons LL for 1410 Broadway re: storage unit in the basement and need to empty it out by the end of the month.	0.40	475.00	\$190.00
10/23/13	115	RH	Calls/Emails with E. Smith re: Pitney Bowes, Anthem, Leaf, and PBMares.	0.50	475.00	\$237.50
10/23/13	116	RH	Meeting with P.Kirakofe to review Sept. MORS for Transprint.	0.70	475.00	\$332.50
10/23/13	116	RH	Continue working on September MOR's for Transprint and AirDye.	0.60	475.00	\$285.00
10/23/13	148	RH	Travel to Harrisonburg VA.	5.50	0.00	\$0.00
10/24/13	047	RH	Worked with K. Wilkerson to update Inventory numbers.	1.00	475.00	\$475.00
10/24/13	085	RH	Met with K. Wilkerson and D. Butyler regarding system updates.	1.00	475.00	\$475.00
10/24/13	086	RH	Call with B. Smiley re: transition issues.	0.40	475.00	\$190.00
10/24/13	090	RH	Spoke with numerous people in the plant regarding the transition.	0.70	475.00	\$332.50
10/24/13	099	RH	Meeting with B. Edminston re: funding request process, material requirements and machinery repairs.	0.60	475.00	\$285.00
10/24/13	099	RH	Attended meeting with B. Edminston and representatives of ETI regarding future business relationship.	0.45	475.00	\$213.75
10/24/13	099	RH	Call with B. Walker regarding a variety of transition issues.	0.40	475.00	\$190.00
10/24/13	099	RH	Attended meeting with D. Fuller and representatives of ETI.	2.00	475.00	\$950.00
10/24/13	104	RH	Meeting with D. Butler re: lack of phone service in Charlotte.	0.30	475.00	\$142.50
10/24/13	104	RH	Prepared task descriptions for Fee Application.	0.80	475.00	\$380.00
10/24/13	116	RH	Updated Balance Sheet of Transprint MOR.	0.70	475.00	\$332.50

Client: ColorRep, Inc.

10/24/13	116	RH	Revised P&L section of Sept MOR.	0.40	475.00	\$190.00
10/25/13	099	RH	With B. Boyd, Jessie, and other visitors waiting to meet with D. Fuller.	0.60	475.00	\$285.00
10/25/13	099	RH	Met with D. Fuller to discuss open issues.	0.30	475.00	\$142.50
10/25/13	116	RH	Work on September MOR's.	0.30	475.00	\$142.50
10/25/13	116	RH	Met with P. Kirkofe to review September MORs for Transprint and ColorRep. Distributed it to Counsel for review.	1.10	475.00	\$522.50
10/25/13	148	RH	From Harrisonburg VA.	5.50	0.00	\$0.00
			Totals for: Hauer, Richard	146.55	393.97	\$57,736.25

Katz, Robert

Managing Director

Date	Task	Tmkp	Description	Hours Worked	Rate	Fees Billed
10/01/13	115	RK	Continue to prepare schedule supporting the APA; and review cash position and the needs to get to closing.	1.30	525.00	\$682.50
10/02/13	062	RK	Review documents and prepare to testify at hearing tomorrow.	1.20	525.00	\$630.00
10/02/13	099	RK	Negotiations sessions with DF re fee structure; negotiate closing schedule items and work plan subsequent to sale.	0.80	525.00	\$420.00
10/02/13	115	RK	Work on; review and finalize my declaration in support of the sale of the business.	1.40	525.00	\$735.00
10/02/13	115	RK	Review of APA and my declaration; make edits; discuss and correspond with counsel and transmit	1.60	525.00	\$840.00
10/03/13	062	RK	Prepare for and attend telephonic court hearing re sale of the company.	1.80	525.00	\$945.00
10/03/13	077	RK	Prepare expense schedule and exhibits to be attached to the APA; prepare a list of closing and transition items and a timeline.	1.10	525.00	\$577.50
10/04/13	115	RK	Work on finalizing APA; update schedules based on hearing yesterday. Correspondence with Counsel re updating costs and schedules.	2.10	525.00	\$1,102.50
10/10/13	115	RK	Work on post closing issues - outline tax return prep timing; prepare fee statements; review personnel issues and concerns	1.10	525.00	\$577.50
10/15/13	047	RK	Review progress of WD; including personnel issues; w-2 tax concerns; discussions with counsel; work on MOR's and outline next steps	0.90	525.00	\$472.50
10/16/13	116	RK	Work on and review status of September MOR's.	1.10	525.00	\$577.50
10/23/13	062	RK	Review testimony and pleadings to prepare for Hearing.	2.00	525.00	\$1,050.00
10/23/13	074	RK	Prepare and review September Fee Statements.	1.90	525.00	\$997.50
10/23/13	148	RK	Travel to hearing in California	3.00	0.00	\$0.00
10/24/13	062	RK	Prepare for and attend court hearing	2.90	525.00	\$1,522.50
10/24/13	116	RK	Review September Transprint and Color Rep Mor's and provide feedback and comments.	1.90	525.00	\$997.50
			Totals for: Katz, Robert	26.10	464.66	\$12,127.50

Abdulayev, Sabir

Consultant

Client: ColorRep, Inc.

Date	Task	Tmkp	Description	Hours Worked	Rate	Fees Billed
10/09/13	074	SA	Preparation of August fee application. Detailed review and edits of the time diaries. Preparation of the fee statement write-up.	1.60	225.00	\$360.00
10/10/13	074	SA	Preparation of August fee application. Review and edits of the time diaries. Finalized the fee statement write-up.	2.30	225.00	\$517.50
10/22/13	074	SA	Preparation of September fee application. Detailed review and edits of the time diaries. Preparation of the fee statement write-up.	2.50	225.00	\$562.50
10/23/13	074	SA	Preparation of September fee application. Review and edits of the time diaries. Finalized the fee statement write-up.	0.70	225.00	\$157.50
			Totals for: Abdulayev, Sabir	7.10	225.00	\$1,597.50
			TOTALS :	179.75		\$71,461.25

Client: ColorRep, Inc.

ColorRep, Inc.

Executive Sounding Board Associates Inc.
Summary of Time Incurred by Project

10/01/13 - 10/31/13

<u>Project Description</u>	<u>Task Codes</u>	<u>Hours</u>	<u>Fees</u>
Benefits	045	4.50	\$2,137.50
Business Analysis & Planning	047	10.90	\$5,222.50
Cash Management	051	6.60	\$3,135.00
Correspondence	061	3.70	\$1,757.50
Ct Hearing & Preparation	062	8.20	\$4,290.00
Preparation of Application	074	17.40	\$5,160.00
Financial Stmtts & Projections	077	5.00	\$2,430.00
Vendor	079	6.90	\$3,277.50
Systems review	085	2.60	\$1,235.00
Insurance	086	5.80	\$2,755.00
Personnel issues	090	13.80	\$6,555.00
Meetings	099	23.95	\$11,416.25
Operations & Fin Analysis	104	3.00	\$1,425.00
Real Estate Data/Valuation	110	3.90	\$1,852.50
Sale of Busin & Related issues	115	21.60	\$10,635.00
Schedules - Bankruptcy	116	14.10	\$6,847.50
Manufacturing	122	2.80	\$1,330.00
Travel time -client	148	25.00	\$0.00
	Totals	<u>179.75</u>	<u>\$71,461.25</u>

EXHIBIT "D"

ColorRep, Inc.

Executive Sounding Board Associates Inc.
Summary of Disbursements by Month

07/10/13 - 07/31/13

Disbursements:

Copies	\$43.25
Meals/Lodging	\$1,499.54
Travel	\$3,434.50
Travel	\$4,019.58
Total Expenses	<u>\$8,996.87</u>
Total Fees and Disbursements	<u><u>\$137,162.37</u></u>

Client: ColorRep, Inc.

Expenses

Date	Task	Description	Amount Billed
07/11/13	01	Hotel	\$108.27
07/11/13	02A	Mileage and Tolls w/e 07/13/2013	\$319.00
07/12/13	008	Photocopies	\$29.25
07/13/13	01	Meals/Lodging - w/e 07/13/2013	\$375.42
07/13/13	02	Airfare- w/e 07/13/2013	\$1,129.80
07/13/13	02A	Travel - w/e 07/13/2013	\$399.59
07/13/13	02A	Travel - w/e 07/13/2013	\$631.76
07/16/13	008	Photocopies	\$11.50
07/17/13	01	Hotel	\$129.80
07/20/13	01	Meals/Lodging - w/e 07/20/2013	\$446.56
07/20/13	02	Airfare - w/e 07/20/2013	\$1,339.60
07/20/13	02A	Travel - w/e 07/20/2013	\$597.52
07/20/13	02A	Mileage and Tolls w/e 07/20/2013	\$319.00
07/20/13	02A	Travel - w/e 07/20/2013	\$1,061.89
07/23/13	02A	Travel	\$179.58
07/24/13	008	Photocopies	\$2.50
07/27/13	01	Meals/Lodging - w/e 07/27/2013	\$439.49
07/27/13	02	Airfare - w/e 07/27/2013	\$965.10
07/31/13	02A	Travel - w/e 07/27/2013	\$511.24
TOTALS :			\$8,996.87

ColorRep, Inc.

Executive Sounding Board Associates Inc.
Summary of Disbursements by Month

08/01/13 - 08/31/13

Disbursements:

Copies	\$74.75
Meals/Lodging	\$2,577.37
Travel	\$2,021.40
Travel	\$2,851.01
Messenger- use postage	\$8.50
Total Expenses	<u>\$7,533.03</u>
Total Fees and Disbursements	<u>\$148,716.53</u>

Client: ColorRep, Inc.

Expenses

Date	Task	Description	Amount Billed
08/02/13	008	Copies	\$4.75
08/03/13	02A	Travel - w/e 08/03/2013	\$713.93
08/09/13	008	Copies	\$70.00
08/10/13	01	Meals/Lodging - w/e 08/10/2013	\$353.32
08/10/13	01	Meals/Lodging - w/e 08/10/2013	\$288.66
08/10/13	02	Airfare - w/e 08/10/2013	\$878.60
08/10/13	02A	Travel - w/e 08/10/2013	\$521.09
08/10/13	02A	Travel - w/e 08/17/2013	\$393.86
08/12/13	02	Airfare - 08/12/2013	\$1,142.80
08/12/13	02A	Travel	\$95.00
08/17/13	01	Meals/Lodging - w/e 08/17/2013	\$434.81
08/17/13	02A	Travel - w/e 08/17/2013	\$429.65
08/23/13	01	Meals/Lodging - w/e 08/23/2013	\$214.64
08/23/13	02A	Travel - w/e 08/23/2013	\$364.50
08/23/13	08	Photocopies	\$8.50
08/24/13	01	Meals/Lodging - w/e 08/24/2013	\$459.74
08/24/13	02A	Travel - w/e 08/24/2013	\$245.50
08/30/13	01	Meals/Lodging - w/e 08/31/2013	\$826.20
08/30/13	02A	Travel - w/e 08/31/2013	\$87.48
TOTALS :			\$7,533.03

ColorRep, Inc.

Executive Sounding Board Associates Inc.
Summary of Disbursements by Month

09/01/13 - 09/30/13

Disbursements:

Travel	\$2,151.35
Total Expenses	<u>\$2,151.35</u>
Total Fees and Disbursements	<u>\$93,396.35</u>

Client: ColorRep, Inc.

Expenses

Date	Task	Description	Amount Billed
09/13/13	02A	Travel - w/e 09/14/2013	\$911.23
09/27/13	02A	Travel - w/e 09/28/2013	\$1,240.12
TOTALS :			\$2,151.35

ColorRep, Inc.

Executive Sounding Board Associates Inc.
Summary of Disbursements by Month

10/01/13 - 10/31/13

Disbursements:

Travel	\$571.50
Travel	\$1,540.54
Total Expenses	<u>\$2,112.04</u>
Total Fees and Disbursements	<u><u>\$73,573.29</u></u>

Client: ColorRep, Inc.

Expenses

Date	Task	Description	Amount Billed
10/02/13	02A	Travel - w/e 10/5/2013	\$118.50
10/03/13	02A	Travel - w/e 10/5/2013	\$56.90
10/04/13	02A	Travel - w/e 10/5/2013	\$56.90
10/11/13	02A	Travel - w/e 10/12/2013	\$858.91
10/23/13	02A	Travel - w/e 10/26/2013	\$449.33
10/23/13	02	Airfare to LA	\$571.50
TOTALS :			\$2,112.04

EXHIBIT "E"

CREDENTIALS OF
ROBERT D. KATZ, CTP, CPA, MBA
www.esba.com

Rob has a BSE in Accounting and Management from The Wharton School of Business at the University of Pennsylvania and an MBA in Finance from Temple University. He has over 26 years of strategic and hands-on experience, as a COO, CFO, Crisis manager and a management consultant in accounting, auditing marketing, finance, manufacturing operations and accounting and financial systems. He serviced clients in both the public and private sectors; both in and out of bankruptcy and assisted companies plan for, go through and emerge through a 363 sales process.

- Rob has served as Interim President, Financial, Operating, Restructuring Officer(s) and Treasurer for his clients; assisting them in improving operating performance and generating additional cash flow.
- Rob has testified as an expert and/or fact witness in:
 - Eastern District of Pennsylvania
 - Southern District of New York
 - District of Delaware
 - Central District of California
 - District of Maryland
 - District of New Jersey
 - In Front of the ABI Commission
- He currently serves as Plan Trustee; Plan Administrator and Distribution Trustee in multiple situations.
- He has pursued substantial litigation claims and avoidance actions on behalf of his clients and their stakeholders as well as served as an expert witness.
- He has led his clients through the bankruptcy process and proceedings both as an interim officer and as a financial advisor. He has prepared statements and schedules, forecast and projections; negotiated with secured and unsecured creditors and provided testimony in court. He has assisted companies and their management both through the detail preparations and in a managerial capacity through the proceedings.
- He is a Certified Public Accountant and a Certified Turnaround Professional. Rob has turned around, operated, raised funding for and improved performance for companies in the pharmaceutical, healthcare, manufacturing, wholesale distribution, high tech, retail, hotel/casino, publishing, printing, service industries and not for profit sectors. He has assisted Companies; refinance debt, add lines of credit and term loans, make strategic acquisitions and divestitures. .
- Rob is currently an Adjunct Professor at Temple University where he designed and has taught courses in the Management and Finance departments on growth, declines, turnarounds, bankruptcy and strategic management
- He has authored over 15 articles for The Journal of Corporate Renewal, the Secured Lender, the Institutional Investor, The Journal of Private Equity, the ABF Journal and other trade publications.
- Rob was chosen as Turnaround Consultant of the year twice and ESBA was chosen as Turnaround Firm of the year as chosen by M&A Advisors and one of the outstanding turnaround firms in the Country by the Beard Group.

CREDENTIALS OF
ROBERT D. KATZ, CPA, MBA, CTP

Some of Rob's diverse client experience and expertise while at Executive Sounding Board Associates Inc. includes:

Financial Advisor to Lower Bucks Hospital

Served as the financial advisor to the hospital. Worked with the Hospital to develop plan to improve the operating performance and cash flow. Evaluated and assessed reimbursement rates and structure for multiple payors and its effect on revenues and cash flows. Analyzed how the Hospital's reimbursement rate compares to neighboring hospitals, assessed the impact. Negotiated with vendors so that they would continue to provide products and services. Developed a program including projections and assumptions that enabled the Company to secure financing and exit from bankruptcy. Eliminated unprofitable service lines; renegotiated contracts. Prepared rolling cash flow forecast and variance report to track performance trends.

Distribution Trustee Oldco M Corporation, f/k/a Metaldyne Corporation

Serving as Distribution Trustee of second tier auto parts manufacturer with \$2 billion in assets as of the filing date. Responsible for the selling of facilities including one exceeding 1 million square feet, managing the reconciliation of over 3,000 claims exceeding \$300 million including claims filed by numerous foreign entities, settling over \$1 million in claims filed by the IRS, and generating preference recoveries which exceeded estimates by over \$600,000. ESBA also served as the inspector for a related company's cross-border insolvency in its wind-down proceedings. Aggressively pursue litigation and avoidance actions.

Publically traded generic pharmaceutical manufacturer: Chief Financial Officer. Led the Company in correcting its SEC reporting deficiencies. Extended and restructured the Companies loan agreement. Negotiated additional working capital facility. Provided financial projections and plan to shareholders and lender. Negotiated additional terms and higher credit limits with the trade suppliers. Assisted in recapitalizing Company's joint venture and improving production efficiencies. Part of implementation and upgrade team re: Company's computer system. Directed the reduction of overhead levels and the right sizing of the workforce. Implemented programs that led to in excess of \$ 1 million reduction in costs and expenses.

Plan Trustee Classic Sleep Products

Responsible for pursuing litigation claims; assessing, litigating and executing on preference actions. Negotiated settlements; evaluated recovery potentials; pursued avoidance actions; managed wind down of estate including preparing tax returns and related information. Was chosen over other competitors even though during the Chapter 11 ESBA represented the Debtor. Stakeholders had that much confidence in ESBA.

Medical Imaging Company: Interim Chief Financial Officer. Led the turnaround, restructuring and improvement of the financial and operational functions of this imaging company. Restructured bank debt, closed unprofitable centers, improved operating margin and cash flow. Reduced accounts receivable days outstanding and negotiated additional terms with the trade and garnered additional support. After three years when the Company suffered due to the change in reimbursement rates, and from adding additional debt, ESBA was called back in to help the Company through Chapter 11 to locate a strategic buyer.

CREDENTIALS OF
ROBERT D. KATZ, CPA, MBA, CTP

Professional Experience/Employment History

Executive Sounding Board Associates Inc. Philadelphia, PA Managing Director	1991 to Current
Adjunct Professor - Temple University Strategic Management and Corporate Finance	2007 - Current
Franklin Mint Financial Reporting Manager	1989 to 1991
International Accounting Firm Senior Accountant	1987 to 1989
Bally's Park Place/Golden Nugget Financial Analyst	1986 to 1987
International Accounting Firm	1984 to 1986

Education

- Masters of Business Administration (MBA) in Finance, Temple University 1991
- Bachelors of Science in Economics Wharton School of Business, University of Pennsylvania, Concentration in Finance and Accounting, 1984

Certifications

- Certified Turnaround Professional (CTP) 1999
- Certified Public Accountant (CPA) 1986

Boards Served on/ Membership/Affiliations

- Board Member – Abramson Center for Senior Living
- Board Member – Brighthurst Funeral Home
- Consultant to the Boards – 3 Prominent Philadelphia Area Organizations
- Advisory Committee Member – Make-A-Wish Foundation
- Past Executive Committee and Board Member – TMA
- 2008 Member Leadership Class – MS Society
- Member – Pennsylvania Institute of CPA's
- Member – American Institute of CPA's
- Member – American Bankruptcy Institute

CREDENTIALS OF
ROBERT D. KATZ, CPA, MBA, CTP

Sample of Speaking Engagements

- Panelist ABF Journal Spring Conference
- Panelist ABF Journal/TMA Spring Conference April 2010
- Panelists Commercial Finance Association Convention – Philadelphia Chapter
- Panelists ABF Journal/NYIC Seminar
- Panelist New Jersey Chapter Turnaround Management Association (TMA) – What to expect
- TMA International Spring Conference 2007 – The Bankruptcy Bubble
- Panelist NJSCPA's – Deepening Insolvency
- Panelist Webinar – Deepening Insolvency
- Panel Moderator Turnaround Management Association – What is Hot and What is Not

Sample of Articles Published

- Article on Human Capital; Journal of Corporate Renewal;
- Finding the Money; ABI publication;
- The Chief Restructuring Officer...What Attributes Define Success? ABF Journal
- Credit and Liquidity...Where Have You Gone and When Can We Get it Back? Journal of Private Equity
- Identifying Early Warning Signs of Collateral Deterioration and Identifying the Fix...Will Help Maximize Value and Recovery; Secured Lender
- Differentiating Between Success and Failure: It is a Very Fine Line...Are Your Clients and Customers in Danger of Crossing It?; ABF Journal
- How to Find Value Where Others Don't – Journal of Corporate Renewal

CREDENTIALS OF
RICHARD HAUER
www.esba.com

Richard Hauer is an executive restructuring professional with a well-established reputation for his strong management, leadership, marketing and interpersonal skills. He brings more than 25 years of consulting and advisory experience in restructuring and litigation support matters and has testified and provided valuation expertise in a number of high profile Chapter 11 bankruptcy proceedings. Rich has M.B.A. in International Economics and Finance from New York University Stern School of Business.

Rich had led dozens of successful engagements working with debtors, unsecured creditors' committees, lenders and other parties in interest in both formal bankruptcy proceedings and out-of-court restructurings.

Throughout his career, he has utilized his broad industry experience, with specialization in the manufacturing, retail and commercial real estate sectors, to successfully guide clients as they navigate through complicated issues during periods of transition.

Previously, Rich was a Managing Director with a global accounting firm focused on the retail and commercial real estate sectors. Rich acted as an advisor to a diverse client base consisting of retailers, REITs, financial institutions, creditors' committees and developers. He was retained by numerous law firms for a variety of services, including litigation support and valuation and expert testimony.

He has been the advisor to number of manufacturers, retailers and developers including, among others, General Motors, Fortunoff, Sportsman's Warehouse, Lake Las Vegas, The Estate of Solomon Dwek, Kmart, Service Merchandise, Technology Park of Greater Louisville and Friedman's Jewelers. Rich represented the Unsecured Creditors Committee to Borders, Inc and worked very closely with the Debtor to maximize recoveries during the liquidation.

Rich was also the past President of the real estate unit of an international turnkey asset management, disposition and appraisal company. In this role, he built four independent consulting practices and integrated them with other existing business lines.

Representative Transactions

Rich and have provided expert testimony and valuation services in a number of complex restructurings, including:

- Served as an expert on behalf of a shopping center owner regarding a tenant's right to assume and assign the lease.
- Served as a valuation expert during the orderly liquidation of a national home builder.
- Served as an industry expert on behalf of a national jewelry store chain during its reorganization.
- Provided various litigation support services on behalf of a regional fast food franchisee.
- Provided valuation services, specifically purchase price allocation in accordance with SFAS 141, to this large logistics service provider

Professional Experience/Employment History

- Executive Sounding Board Associates LLC // Managing Director
- BDO Consulting, Business Restructuring // Managing Director
- Great American Group Real Estate Advisory Services // President
- Schonbraun McCann Group (an FTI Company) // Partner In Charge of Bankruptcy and Restructuring
- Gemini Realty Advisors // Co-Founder and Principal

Education

- Masters of Business Administration (MBA) in International Economics and Finance, New York University Stern School of Business
- Bachelors of Science in Accounting, Pennsylvania State University

CREDENTIALS OF
PAUL NEWTON
www.esba.com

Paul Newton is a seasoned professional with deep expertise in management and leadership, organization and management development, strategic planning, sales and marketing, operations analysis and productivity improvement, production planning, systems including systems analysis and development, total quality management and continuous improvement, supply chain management, and environmental management and safety.

Paul has more than thirty-five years of management experience in numerous functional areas including sixteen years working in operations, engineering, systems, materials management and transportation, new product development, and business development with a \$175 million, multi-plant printing company. He led a division of this company serving the pharmaceutical industry, and also held top-level management positions in the real estate and communications industries.

As a turnaround consultant, he has functioned in senior leadership positions in a number of industries including manufacturing, printing, communications, transportation, distribution, and healthcare. In a capacity as financial advisor, Paul has worked in bankruptcy for the creditors' committees of several failed rollups including a quick print company and a wireless communications company. The work in these instances was strategic in evaluating viable options for the Debtor's future including steps to strengthen existing operations as well as pursuing sale of the company or parts thereof, as well as the potential for additional acquisitions to create a stronger competitor in the marketplace as part of a plan of reorganization.

Representative Transactions

Paul has been instrumental in a number of prominent, complex transactions with varied responsibilities, including:

- Served as President of a hospital for a wind down of its operations
- Served as Crisis Management and Financial Advisor for a \$70 million revenue telecommunications company
- Served as Crisis Restructuring Officer for a \$200 million revenue diversified printing company
- Acted as interim Chief Operating Officer for a \$25 million revenue bus transportation and travel services company during its restructuring
- Managed Chapter 11 wind-down operations of several facilities of a eight-plant \$100 million revenue large-format printing company
- Served as Crisis Management for a \$20+ million manufacturer of ready-to-assemble office furniture
- Served as Crisis Management and Financial Advisor for a \$60 million revenue catalog printing business operation

Education

- Masters of Business Administration (MBA) from Harvard University.
- Bachelors of Science in Industrial Engineering, Georgia Tech University.

CREDENTIALS OF
SABIR ABDULAYEV
www.esba.com

Sabir is a skilled restructuring professional, working with a broad range of clients on turnaround management, performance improvement, forensic accounting, litigation consulting, and business valuation engagements.

Sabir works closely with senior ESBA professionals, advising companies on financial and operational matters. He handles financial analysis for ongoing engagements, conducts financial and fraud modeling, and prepares transaction materials and preference analyses.

He has experience in the automotive, retail, hospitality management, manufacturing, telecommunications and healthcare industries. He has extensive experience working on preference claims and fiduciary matters for middle market and large cap corporations and forensic and dispute services matters involving accounting irregularities, professional negligence and fraud investigations.

Prior to joining ESBA, Sabir was a senior analyst at SEI Investments, a leading global provider of asset and wealth management and a project manager for a tri-state data management company.

Representative Transactions

Sabir has been instrumental in a number of prominent, complex transactions with varied responsibilities, including:

- Served as Financial Adviser in a Chapter 7 proceeding for Image Masters, Inc., et al., a high-profile ponzi scheme.
- Served as post-confirmation Trustee for American LaFrance Creditors Trust, one of the oldest fire engine manufacturers in the United States
- Served as post-confirmation Trustee for US Wireless Liquidation Trust, a technology company that provided cell-phone locations and traffic information nationwide
- Served as post-confirmation Trustee for LoveSac Liquidation Trust, an alternative furniture company

Education

Bachelors of Science in Finance and International Business, Drexel University.

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, 12th Floor, Los Angeles, California 90067. A true and correct copy of the foregoing document entitled: **FIRST INTERIM APPLICATION OF EXECUTIVE SOUNDING BOARD ASSOCIATES, LLC AS CHIEF RESTRUCTURING OFFICER TO THE DEBTORS FOR COMPENSATION AND ALLOWANCE OF PROFESSIONAL FEES AND EXPENSES DURING THE PERIOD FROM JULY 10, 2013 THROUGH OCTOBER 31, 2013; DECLARATION OF ROBERT D. KATZ IN SUPPORT THEREOF** 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 January 9, 2014, 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 January 9, 2014, 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.

Honorable Julie W. Brand
U.S. Bankruptcy Court
255 E. Temple Street
Suite 1382 / Courtroom 1375
Los Angeles, CA 90012

Ron Maroko
Office of the United States Trustee
725 South Figueroa Street, Suite 2600
Los Angeles, CA 90017

Colorep, Inc. Colorep, Inc.
c/o Law Offices of Joseph P. Barlett, P.C.
225 Santa Monica Blvd., 11th Floor
Santa Monica, CA 90401

☒ 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) _____, 2014, 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.

January 9, 2014
Date

Therese A. Barron
Printed Name

/s/ Therese A. Barron
Signature

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

1. TO BE 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@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