

In Re: Colorep Inc.

Debtor(s).

CHAPTER 11 (Remittance)

Case Number: 2:13-bk-27689-WB

Operating Report Number: 7

For the Month Ending: 31-Jan-14

I. CASH RECEIPTS AND DISBURSEMENTS

A. (REMITTANCE ACCOUNT*)

1. TOTAL RECEIPTS PER ALL PRIOR REMITTANCE ACCOUNT REPORTS 1.00

2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR REMITTANCE
ACCOUNT REPORTS 1.00

3. BEGINNING BALANCE: 0.00

4. RECEIPTS DURING CURRENT PERIOD:

Accounts Receivable - Post-filing

Accounts Receivable - Pre-filing

General Sales 0.00

Other (Specify) Transfer from Transprint OP 0.00

Account. (required to keep acct open)

TOTAL RECEIPTS THIS PERIOD: 0.00

5. BALANCE: 0.00

6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD

Transfers to Other DIP Accounts (from page 2) 0.00

Disbursements (from page 2) 0.00

TOTAL DISBURSEMENTS THIS PERIOD:*** 0.00

7. ENDING BALANCE: **** 0.00

8. General Account Number(s): 004980218459 (remitt account)

Depository Name & Location: Citibank. NY,NY

* All receipts must be deposited into the general account.

** Include receipts from the sale of any real or personal property out of the ordinary course of business; attach an exhibit specifying what was sold,
to whom, terms, and date of Court Order or Report of Sale.

***This amount should be the same as the total from page 2.

**** This account was closed on November 12, 2013.

TOTAL DISBURSEMENTS THIS PERIOD:

** Fill in amounts in this column if they are DISBURSEMENTS to outside payees; the "amount" column will be filled in for you.

Bank statement Date: _____

Balance on Statement: _____

\$0.00

Plus deposits in transit (a):

Deposit DateDeposit Amount

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

TOTAL DEPOSITS IN TRANSIT

0.00

Less Outstanding Checks (a):

Check NumberCheck DateCheck Amount

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
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_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

TOTAL OUTSTANDING CHECKS:

0.00

Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

\$0.00

* It is acceptable to replace this form with a similar form

** Please attach a detailed explanation of any bank statement adjustment

UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
CENTRAL DISTRICT OF CALIFORNIA

In Re: Colorep Inc.

Debtor(s).

CHAPTER 11 (Operating)

Case Number: 2:13-bk-27689-WB

Operating Report Number: 7

For the Month Ending: 31-Jan-14

I. CASH RECEIPTS AND DISBURSEMENTS
A. (GENERAL ACCOUNT*)

1. TOTAL RECEIPTS PER ALL PRIOR GENERAL ACCOUNT REPORTS 1.00

2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR GENERAL
ACCOUNT REPORTS 1.00

3. BEGINNING BALANCE: 0.00

4. RECEIPTS DURING CURRENT PERIOD:

Accounts Receivable - Post-filing

Accounts Receivable - Pre-filing

General Sales

0.00

Other (Specify) Transfer from Transprint OP
Account. (required to keep acct open)

0.00

TOTAL RECEIPTS THIS PERIOD: 0.00

5. BALANCE: 0.00

6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD

Transfers to Other DIP Accounts (from page 2)

0.00

Disbursements (from page 2)

0.00

TOTAL DISBURSEMENTS THIS PERIOD:*** 0.00

7. ENDING BALANCE: ****\ 0.00

8. General Account Number(s): 004980218467 (operating account)

Depository Name & Location: Citibank. NY,NY

** Include receipts from the sale of any real or personal property out of the ordinary course of business; attach an exhibit specifying what was sold,
to whom, terms, and date of Court Order or Report of Sale.

***This amount should be the same as the total from page 2.

**** This amount was closed on Noveember 12, 2013.

TOTAL DISBURSEMENTS FROM GENERAL ACCOUNT FOR CURRENT PERIOD

[illegible]

* Fill in amounts in this column if they are TRANSFERS to another DIP account (e.g. Payroll or Tax); the "amount" column will be filled in for you.

** Fill in amounts in this column if they are DISBURSEMENTS to outside payees; the "amount" column will be filled in for you.

GENERAL ACCOUNT BANK RECONCILIATION

Bank statement Date: Balance on Statement: \$0.00

Plus deposits in transit (a):

<u>Deposit Date</u>	<u>Deposit Amount</u>
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TOTAL DEPOSITS IN TRANSIT

0.00

Less Outstanding Checks (a):

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>
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TOTAL OUTSTANDING CHECKS:

0.00

Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

\$0.00

* It is acceptable to replace this form with a similar form

**** Please attach a detailed explanation of any bank statement adjustment**

1. TOTAL RECEIPTS PER ALL PRIOR PAYROLL ACCOUNT REPORTS	1.00
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR PAYROLL ACCOUNT REPORTS	1.00
3. BEGINNING BALANCE:	0.00
4. RECEIPTS DURING CURRENT PERIOD: Transferred from Transprint OP account (required to keep tha account open)	0.00
5. BALANCE:	0.00
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD TOTAL DISBURSEMENTS THIS PERIOD:**	0.00
7. ENDING BALANCE: **	0.00
8. PAYROLL Account Number(s):	004980218440
Depository Name & Location:	Citibank. NY,NY

*This amount should be the same as the total from page 2.

** This amount was closed on Novemeber 12, 2013.

[illegible]

Bank statement Date: _____ Balance on Statement: \$0.00

Plus deposits in transit (a):

<u>Deposit Date</u>	<u>Deposit Amount</u>
---------------------	-----------------------

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

TOTAL DEPOSITS IN TRANSIT

0.00

Less Outstanding Checks (a):

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>
---------------------	-------------------	---------------------

_____	_____	_____
_____	_____	_____
_____	_____	_____
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_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

TOTAL OUTSTANDING CHECKS:

0.00

Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

\$0.00

1. TOTAL RECEIPTS PER ALL PRIOR TAX ACCOUNT REPORTS

2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR TAX
ACCOUNT REPORTS

3. BEGINNING BALANCE:

_____ 0

4. RECEIPTS DURING CURRENT PERIOD:
(Transferred from General Account)

5. BALANCE:

_____ 0.00

6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD
TOTAL DISBURSEMENTS THIS PERIOD;***

_____ 0.00

7. ENDING BALANCE:

_____ 0.00

8. TAX Account Number(s):

Depository Name & Location:

TOTAL DISBURSEMENTS THIS PERIOD:	0.00
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ENDING BALANCES FOR THE PERIOD:

(Provide a copy of monthly account statements for each of the below)

**Petty Cash (from below):	0.00
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TOTAL CASH AVAILABLE:

0.00

Petty Cash Transactions:

Date _____

Purpose

Amount

[illegible]

TOTAL PETTY CASH TRANSACTIONS:

0.00

* Specify the Type of holding (e.g. CD, Savings Account, Investment Security), and the depository name, location & account#

** Attach Exhibit Itemizing all petty cash transactions

II. STATUS OF PAYMENTS TO SECURED CREDITORS, LESSORS
AND OTHER PARTIES TO EXECUTORY CONTRACTS

TOTAL DUE:	0.0
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III. TAX LIABILITIES

FOR THE REPORTING PERIOD:

Gross Sales Subject to Sales Tax: _____

Total Wages Paid: _____

	Total Post-Petition Amounts Owing	Amount Delinquent	Date Delinquent Amount Due
Federal Withholding			
State Withholding			
FICA- Employer's Share			
FICA- Employee's Share			
Federal Unemployment			
Sales and Use			
Real Property			
Other:			
TOTAL:	0.00	0.0	

	*Accounts Payable	Accounts Receivable	
	Post-Petition	Pre-Petition	Post-Petition
30 days or less	0.0	0.0	0.0
31 - 60 days	0.0	0.0	0.0
61+	0.0	0.0	0.0
TOTAL:	0.0	0.0	0.0

V. INSURANCE COVERAGE

	Name of Carrier	Amount of Coverage	Policy Expiration Date	Premium Paid Through (date)
General Liability				
Worker's Compensation				
Casualty				
Vehicle				
Others: D&O	Carolina casualty	2,000,000.00	04/01/14	04/01/14

VI. UNITED STATES TRUSTEE QUARTERLY FEES
 (TOTAL PAYMENTS)

Quarterly Period Ending (Date)	Total Disbursements	Quarterly Fees	Date Paid	Amount Paid	See Note 2 - Below
30-Sep-2013	0.00	325.00	10/30/2013	325.00	0.0
31-Dec-2013	1.00	325.00	1/29/2014	325.00	0.0
					0.0
					0.0
					0.0
					0.0
					0.0
					0.0
					0.0
					0.0
					0.0
					0.0
					0.0
					0.0
					0.0
					0.0
					0.0
					0.0
					0.0
					0.0
		650.00		650.0	0.0

* Post-Petition Accounts Payable SHOULD NOT include professionals' fees and expenses which have been incurred but not yet awarded by the court. Post-Petition Accounts Payable SHOULD include professionals' fees and expenses authorized by Court Order but which remain unpaid as of the close of the period report

Name of Insider	Date of Order Authorizing Compensation	*Authorized Gross Compensation	Gross Compensation Paid During the Month

VIII. SCHEDULE OF OTHER AMOUNTS PAID TO INSIDERS

Name of Insider	Date of Order Authorizing Compensation	Description	Amount Paid During the Month

	Current Month	Cumulative Post-Petition
Sales/Revenue:		
Gross Sales/Revenue		
Less: Returns/Discounts		
Net Sales/Revenue	0.0	0.0
Cost of Goods Sold:		
Beginning Inventory at cost		
Purchases		
Less: Ending Inventory at cost		
Cost of Goods Sold (COGS)	0.00	0.00
Gross Profit	0.00	0.00
Other Operating Income (Itemize)		
Operating Expenses:		
Payroll - Insiders		
Payroll - Other Employees		
Payroll Taxes		
Other Taxes (Itemize)		
Depreciation and Amortization		
Rent Expense - Real Property		
Lease Expense - Personal Property		
Insurance		
Real Property Taxes		
Telephone and Utilities		
Repairs and Maintenance		
Travel and Entertainment (Itemize)		
Miscellaneous Operating Expenses (Itemize)		
Total Operating Expenses	0.00	0.00
Net Gain/(Loss) from Operations	0.00	0.00
Non-Operating Income:		
Interest Income	0.00	0.00
Net Gain on Sale of Assets (Itemize)		
Other (Itemize)		
Total Non-Operating income	0.00	0.00
Non-Operating Expenses:		
Interest Expense	0.00	115,713.39
Legal and Professional (Itemize)		
Other (Itemize)		
Total Non-Operating Expenses	0.00	115,713.39
NET INCOME/(LOSS)	0.00	(115,713.39)

(Attach exhibit listing all itemizations required above)

(Attach exhibit listing all itemizations required above)

X. BALANCE SHEET
(ACCRUAL BASIS ONLY)

ASSETS	Current Month End	
Current Assets:	0.00	
Unrestricted Cash	0.00	
Restricted Cash	0.00	
Accounts Receivable	0.00	
Inventory	0.00	
Notes Receivable	0.00	
Prepaid Expenses	0.00	
Other	0.00	
Total Current Assets		0.00
Property, Plant, and Equipment	0.00	
Accumulated Depreciation/Depletion	0.00	
Net Property, Plant, and Equipment		0.00
Other Assets (Net of Amortization):		
Due from Insiders	0.00	
Other (Itemize) Intellectual Property	0.00	
Total Other Assets		0.00
TOTAL ASSETS		0.00
LIABILITIES		
Post-petition Liabilities:		
Accounts Payable	0.00	
Taxes Payable	0.00	
Notes Payable	0.00	
Professional fees	0.00	
Secured Debt	0.00	
Other (Itemize)	0.00	
Total Post-petition Liabilities		0.00
Pre-petition Liabilities:		
Secured Liabilities	0.00	
Priority Liabilities	0.00	
Unsecured Liabilities	5,305,359.28	
Other		
Total Pre-petition Liabilities		5,305,359.28
TOTAL LIABILITIES		5,305,359.28
EQUITY:		
Pre-petition Owners' Equity	(26,521,359.00)	
Post-petition Profit/(Loss)	(115,713.39)	
Direct Charges to Equity	21,331,713.11	
TOTAL EQUITY		(5,305,359.28)
TOTAL LIABILITIES & EQUITY		0.00

(1) On October 7, 2013, Colorep closed a sale of substantially of it's assets to AirDye Solutions, LLC ("AirDye"). Pursuant to the terms of the sale, \$19.75 million of Meserole, LLC's prepetition secured lien and \$250,000 of the Debtor's DIP loan was credit bid to purchase the "Acquired Assets." Certain of the Debtor's prepetition priority claims and postpetition administrative claims were also assumed by AirDye pursuant to the terms of the sale. To the extent anything in this balance sheet is inconsistent with the terms of the Asset Purchase governing the sale, the Asset Purchase Agreement shall govern. A copy of the Asset Purchase agreement for the sale to AirDye was filed as docket number 214 in case number 2:13-bk-27689-ER.

- | | No | Yes |
|---|----------|-------------|
| 1. Has the debtor-in-possession made any payments on its pre-petition unsecured debt, except as have been authorized by the court? If "Yes", explain below: | <u>X</u> | <u> </u> |
| <hr/> | | |
| 2. Has the debtor-in-possession during this reporting period provided compensation or remuneration to any officers, directors, principals, or other insiders without appropriate authorization? If "Yes", explain below: | <u>X</u> | <u> </u> |
| <hr/> | | |
| 3. State what progress was made during the reporting period toward filing a plan of reorganization. The Debtor, on October 7, 2013, closed a sale of substantially all of its assets. The Debtor is currently assessing whether it makes sense to seek confirmation of a chapter 11 plan, convert the Debtor's bankruptcy case to chapter 7, or pursue an orderly dismissal of the Debtor's case. | | |
| <hr/> | | |
| 4. Describe potential future developments which may have a significant impact on the case:
See above. | | |
| 5. Attach copies of all Orders granting relief from the automatic stay that were entered during the reporting period.

N/A | | |
| 6. Did you receive any exempt income this month, which is not set forth in the operating report? If "Yes", please set forth the amounts and sources of the income below. | <u>X</u> | <u> </u> |
| <hr/> | | |

I, Rich Hauer,
declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession operating report and that the information contained herein is true and complete to the best of my knowledge.



Date

2/12/2014

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Principal for debtor-in-possession

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 1901 Avenue of the Stars, 12th Floor, Los Angeles, California 90067. A true and correct copy of the foregoing document entitled (*specify*): **MONTHLY OPERATING REPORT RE COLOREP, INC. FOR January, 2014** 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 February 13, 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 February 13, 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
915 Wilshire Blvd, Suite 1850
Los Angeles, CA 90017

☐ 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*) _____, 2013, 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.

February 13, 2014 Leira A. Puma
Date *Printed Name*

/s/ Leira A. Puma
Signature

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, carolyn.ernser@dlapiper.com

Frank T Pepler on behalf of Creditor Meserole, LLC
frank.pepler@dlapiper.com, carolyn.ernser@dlapiper.com

Frank T Pepler on behalf of Creditor Saviva FS 1 LP
frank.pepler@dlapiper.com, carolyn.ernser@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

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

United States Trustee (LA)
ustpreion16.la.ecf@usdoj.gov