

1 GARY E. KLAUSNER (STATE BAR NO. 69077)  
2 MARGRETA M. MORGULAS (STATE BAR NO. 224950), and  
3 DANIELLE A. PHAM (STATE BAR NO. 269915), Members Of  
4 STUTMAN, TREISTER & GLATT  
5 PROFESSIONAL CORPORATION  
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13 [Proposed] Reorganization Counsel  
14 for Debtors and Debtors in Possession

15 Debtors' Mailing Address:  
16 Colorep, Inc. and Transprint USA, Inc.  
17 1000 Pleasant Valley Road  
18 Harrisonburg, VA 22801-9790

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

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

28 ) **APPLICATION FOR ORDER**  
 ) **AUTHORIZING THE EMPLOYMENT**  
 ) **AND RETENTION OF STUTMAN,**  
 ) **TREISTER & GLATT, P.C., AS**  
 ) **REORGANIZATION COUNSEL FOR THE**  
 ) **DEBTORS AND DEBTORS IN**  
 ) **POSSESSION; DECLARATION OF GARY**  
 Tax I.D. Nos. 94-3055026 (Colorep, Inc.) and ) **E. KLAUSNER IN SUPPORT THEREOF**  
 54-1200596 (Transprint USA, Inc.) ) **(INCLUDING DISCLOSURES PURSUANT**  
 ) **TO 11 U.S.C. § 329(a))**

29 Hearing

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



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

3 At the end of 2007, Colorep acquired Transprint, a privately held, employee-owned  
4 company, with headquarters and manufacturing facilities in Harrisonburg, Virginia.. Transprint, a  
5 leading supplier of transfer-printing paper was a strategic and potentially lucrative acquisition for  
6 Colorep as it gave Colorep access to manufacturing capabilities, a global customer base, and a  
7 design library exceeding 15,000 unique designs.

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

11 **C. Events Leading to Chapter 11**

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

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

24 Unfortunately, the Meserole loan did not result in the stabilization of the Debtors'  
25 operations as had been hoped. Accordingly, throughout 2012, the Debtors continued to experience  
26 cash shortages and, therefore, were unable to purchase necessary raw materials and timely produce  
27 ordered product. Further, the Debtors were unable to sustain the quality of the product they did  
28 produce as they lacked the capital necessary to improve or even perform necessary service and

1 repairs to the equipment utilized in their production process. The Debtors' inability to timely meet  
2 demand and resolve the increasing quality control issues resulted in material cancellations and harm  
3 to valuable customer relationships.

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

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

11 In 2013, the Debtors worked to improve customer relationships and employee morale,  
12 and, most importantly, tried to resolve the operational issues. Despite the Debtors' efforts, it became  
13 clear in June 2013 that the Debtors could not continue to operate absent either a de-leveraging of  
14 their balance sheet or significant, additional capital infusions. When it became clear that new capital  
15 would not be available on reasonable terms, the Debtors determined that a chapter 11 process  
16 whereby the value of the Debtors' assets could be maximized through an efficient sale process was  
17 the only feasible alternative.

18 **II.**

19 **RELIEF REQUESTED**

20 The Debtors are requesting that the court authorize the Debtors to employ ST&G as  
21 their bankruptcy counsel pursuant to the terms hereof and the retainer agreement between STG and  
22 the Debtors. The Debtors have agreed to provide a post petition retainer to ST&G in the amount of  
23 \$125,000 to be funded from disbursements pursuant to the Debtors under the proposed DIP  
24 financing which is currently being presented to the court. –

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

1 Financing Motion"). The DIP Financing Motion seeks approval of postpetition financing from  
2 Meserole and other lenders (the "DIP Loan"). The proposed DIP Loan provides that a \$125,000  
3 postpetition retainer (the "Postpetition Retainer") shall be paid to ST&G from the DIP Loan  
4 proceeds upon entry of an Interim DIP Order.

5 The Debtors and ST&G have agreed that in the event the court does not enter an  
6 Interim DIP Order which includes payment of the Postpetition Retainer, ST&G shall not be  
7 obligated to continue to represent the Debtors in these cases. Thus, any order of this Court  
8 approving the employment of ST&G shall be conditioned on the approval of the Postpetition  
9 Retainer.

10 **A. ST&G's Services.**

11 If the DIP Loan is approved, the Debtor wishes to employ Gary E. Klausner,  
12 Margreta M. Morgulas, Kizzy L. Jarashow, Danielle A. Pham, and other members, associates, and  
13 of-counsel attorneys of ST&G, as the Debtors' reorganization counsel in connection with these cases,  
14 effective as of the Petition Date. ST&G is composed of attorneys who generally limit their practice  
15 to the areas of insolvency, reorganization, and bankruptcy law. As such, ST&G is well qualified to  
16 represent the Debtors. A summary of the experience and qualifications of those members of ST&G  
17 expected to render substantial services to the Debtors is attached as Exhibit "1" to the Klausner  
18 Declaration.

19 The Debtors require reorganization counsel to render the following types of  
20 professional services:

- 21 a. To advise the Debtors regarding matters of bankruptcy law;
- 22 b. To represent the Debtors in proceedings and hearings in the United  
23 States Bankruptcy Court for the Central District of California involving matters of  
24 bankruptcy law;
- 25 c. To advise the Debtors concerning the requirements of the Bankruptcy  
26 Code, federal and local rules relating to the administration of these cases, and the effect of  
27 the case on the operation of the Debtors' business and affairs;

1 d. To prepare on behalf of the Debtors all necessary motions,  
2 applications, orders, and other legal papers; and

3 e. To assist the Debtors in the negotiation, preparation, confirmation, and  
4 implementation of a plan or plans of reorganization.

5 Prior to the Petition Date, ST&G and the Debtors executed a retention and retainer  
6 agreement whereby ST&G agreed to act as reorganization counsel for the Debtors.

7 Pursuant to such retainer agreement, ST&G will not be responsible for: (1)  
8 appearances before any court or agency, other than the United States Bankruptcy Court for the  
9 Central District of California, related appellate courts, or the Office of the United States Trustee; (2)  
10 litigation with respect to matters which are primarily disputes involving issues of nonbankruptcy  
11 law; or (3) the provision of advice outside the insolvency area, such as corporations, securities, torts,  
12 environmental, labor, criminal, real estate, health care, administrative, or regulatory law. ST&G's  
13 responsibilities will not include collection matters or appellate work. Further, ST&G will not be  
14 required to devote attention to, form professional opinions as to, or advise the Debtors with respect  
15 to their disclosure obligations under federal securities or other nonbankruptcy laws or agreements.

16 The Debtors may, from time to time, request that ST&G undertake specific matters  
17 beyond the limited scope of the responsibilities set forth above. Should ST&G agree in its discretion  
18 to undertake any such specific matters, the Debtors seek authority herein to include such matters  
19 within the scope of ST&G's employment.

20 **B. ST&G's Compensation.**

21 1. The Pre-Chapter 11 Payments

22 Prior to the Petition Date, ST&G received a retainer, paid from the monies advanced  
23 to the Debtors by its pre-petition secured lender, in the amount of \$150,000 (the "Pre-Chapter 11  
24 Retainer") for services rendered and expenses incurred prior to the filing of the Debtors' chapter 11  
25 cases. Prior to the commencement of these Chapter 11 cases, ST&G drew down \$150,000 from the  
26 Pre-Chapter 11 Retainer for prepetition services rendered to the Debtors. The Debtors do not owe  
27 ST&G any amount for prepetition services.  
28

1 ST&G acknowledges that the Debtors' payment to STG for services rendered prior to  
2 the filing of their chapter 11 cases is subject to Court review pursuant to Bankruptcy Code  
3 section 329(b).

4 In addition to the Chapter 11 Retainer, ST&G also received, from funds advanced by  
5 the Debtors' pre-petition secured lender, \$10,000 to be held in trust and to be paid as a retainer to  
6 Debtors' corporate counsel if and when retained (the "Corporate Counsel Retainer") and \$25,000 to  
7 cover filing fees and other expenses incurred in connection with the Debtors' chapter 11 cases (the  
8 "Expense Retainer"). ST&G has deposited the Corporate Counsel Retainer and the Expense  
9 Retainer in the amount of \$35,000 in a segregated interest-bearing trust account. The Corporate  
10 Counsel Retainer shall only be used to in connection with the employment of corporate counsel, and  
11 the Expense Retainer shall only be used to pay costs and expenses related to these chapter 11 cases.

12 In June 2013, Quercus Trust, a shareholder of Colorep, Inc., advanced \$25,000 to  
13 ST&G prepetition (the "Quercus Retainer") to be used in connection with the preparation of the  
14 Debtors' chapter 11 cases. The Quercus Retainer was deposited in a ST&G trust account and was  
15 never drawn. The entire Quercus Retainer was returned to Quercus Trust prior to the Petition Date.

## 16 2. The Post-petition Retainer

17 ST&G and the Debtor have agreed that ST&G shall be paid a post petition retainer in  
18 the amount of \$125,000 ("Post-petition Retainer"), which shall be funded from the first distribution  
19 to be made by the DIP Lender pursuant to the Interim DIP Order. ST&G shall deposit the Post-  
20 petition Retainer in a segregated trust account to secure the payment of ST&G's fees and expenses as  
21 allowed by this Court. The Debtors shall also grant a security interest therein.

22 ST&G has agreed to accept, as compensation for its services in these cases, such  
23 sums as may be allowed by the Court in accordance with law, based upon the time spent and  
24 services rendered, the results achieved, the difficulties encountered, the complexities involved, and  
25 other appropriate factors. Subject to the Court's approval, ST&G will charge the Debtors for  
26 ST&G's services in accordance with its hourly rates in effect at the time services are rendered. A  
27 summary of (i) the range of the applicable current hourly rates for ST&G, and (ii) the hourly rates of  
28

1 those members of ST&G expected to render substantial services to the Debtors, is attached as  
2 Exhibit "2" to the Klausner Declaration.

3 No compensation will be paid by the Debtors to ST&G except as authorized by this  
4 Court.

5 **C. Disinterestedness.**

6 To the best of the Debtors' knowledge, based upon the accompanying Klausner  
7 Declaration, except as they are and have been the attorneys for the Debtors and except as otherwise  
8 set forth in the Klausner Declaration, ST&G and all of the attorneys comprising or employed by it  
9 are disinterested persons who do not hold or represent an interest adverse to the Debtors' estates and  
10 do not have any connection with the Debtors, their estates, their creditors, the Office of the United  
11 States Trustee, or any other party in interest in this case or with their respective attorneys or  
12 accountants. The Court is respectfully directed to the Klausner Declaration for disclosures relating  
13 to ST&G's connections with the Debtors and their creditors.

14 The following supplemental disclosures are made with respect to ST&G's  
15 disinterestedness and connections with the Debtors and in compliance with Form 2014-1 for the  
16 United States Bankruptcy Court for the Central District of California:

17 a. ST&G is not and was not a creditor, an equity security holder, or an insider of  
18 the Debtors, except that ST&G has previously rendered legal services to the Debtors for which it has  
19 been compensated as disclosed above.

20 b. ST&G is not and was not an investment banker for any outstanding security of  
21 the Debtors.

22 c. ST&G is not and was not, within three years before the Petition Date, either  
23 an investment banker for a security of the Debtors or an attorney for any such investment banker in  
24 connection with the offer, sale, or issuance of any security of the Debtors.

25 d. ST&G is not and was not, within two years before the Petition Date, a  
26 director, officer, or employee either of the Debtors or of any investment banker for any security of  
27 the Debtors.

28



1 e. ST&G is not a relative or an employee of the Office of the United States  
2 Trustee or a Bankruptcy Judge in the Central District of California.

3 f. ST&G has no interest materially adverse to the interests of the Debtors' estate  
4 or of any class of creditors or equity security holders, either by reason of any direct or indirect  
5 relationship to, connection with, or interest in the Debtors or an investment banker for any security  
6 of the Debtors or for any other reason.

7 References to ST&G include all members who are expected to render services in  
8 these cases.

9 In order to check for potential conflicts, ST&G conducted its standard conflicts check  
10 procedure. Specifically, ST&G identified secured creditors, certain equity holders, and the twenty  
11 largest unsecured creditors, and then used its conflicts check software program to generate a  
12 conflicts report. An ST&G member analyzed that conflicts check report for any potential conflicts.  
13 After reviewing the conflicts check report, ST&G has determined that, except as otherwise noted  
14 herein and in the Klausner Declaration, it does not hold or represent an interest adverse to the  
15 Debtors' estates and does not have any connection with the Debtors, their estates, their creditors, the  
16 Office of the United States Trustee, or any other party in interest in this case or with their respective  
17 attorneys or accountants.

18 ST&G will conduct an ongoing review of its files to ensure that no conflicts or other  
19 disqualifying circumstances exist or arise. If any new facts or circumstances are discovered, ST&G  
20 will supplement its disclosure to the Court.

21 Other than with respect to its own members and of counsel, ST&G has agreed not to  
22 share with any person or firm the compensation to be paid for professional services it renders in  
23 connection with these cases.

24 The employment of Gary E. Klausner, Margreta M. Morgulas, Kizzy L. Jarashow,  
25 Danielle A. Pham, and other members, associates, and attorneys of counsel of ST&G as the Debtors'  
26 reorganization counsel is in the best interest of the Debtors' estates and their creditors.

27 This Application has been served on the Office of the United States Trustee, and  
28 other parties required to be served in these bankruptcy cases. The Debtors respectfully submit that

1 such service and notice is sufficient under the circumstances and that no other or further notice need  
2 be provided.

3

4 **WHEREFORE**, the Debtors request that they be authorized (i) to employ Gary E.  
5 Klausner, Margreta Morgulas, Kizzy L. Jarashow, Danielle A. Pham, and other members, associates,  
6 and attorneys of counsel of ST&G as reorganization counsel with compensation at the expense of the  
7 Debtors' estates in such amount as this Court may hereafter allow and (ii) to distribute the  
8 Postpetition Retainer to ST&G.

9

10

11 DATED: July 19, 2013

COLOREP, INC.,  
a California corporation,  
and

12

13

TRANSPRINT USA, INC.,  
a Virginia Corporation

14

15



16

By: Joseph A. Bartlett  
Its: Member of Board of Directors

17

18 SUBMITTED BY:

19

20

/s/ Danielle A. Pham

21

GARY E. KLAUSNER  
MARGRETA MORGULAS, and  
DANIELLE A. PHAM, Members of  
22 STUTMAN, TREISTER & GLATT  
23 PROFESSIONAL CORPORATION

24

25

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28

**DECLARATION OF GARY E. KLAUSNER**

I, Gary E. Klausner, declare as follows:

1. I am over eighteen years of age, and I have personal knowledge of each of the facts stated in this declaration. If called as a witness, I could and would testify as to the matters set forth below based upon my personal knowledge.

2. I am a senior shareholder at the law firm of Stutman, Treister & Glatt, P.C. ("ST&G"), proposed reorganization counsel to above-captioned debtors and debtors in possession (collectively, the "Debtors") in their chapter 11 cases.

3. I submit this declaration pursuant to Federal Rule of Bankruptcy Procedure 2014(a) in support of the *Application for Order Authorizing the Employment and Retention of Stutman, Treister & Glatt, P.C. as Reorganization Counsel for the Debtors and Debtors in Possession* (the "Application").<sup>1</sup>

4. 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 Security Interests And Superpriority Claims; (4) Providing Adequate Protection; And (5) Granting Related Relief* [Docket No. 12] (the "DIP Financing Motion"). The DIP Financing Motion seeks approval of postpetition financing from Meserole and other lenders (the "DIP Loan"). The proposed DIP Loan provides that a \$125,000 postpetition retainer (the "Postpetition Retainer") shall be paid to ST&G from the DIP Loan proceeds upon entry of an Interim DIP Order.

5. The Debtors and ST&G have agreed that in the event the court does not enter an Interim DIP Order which includes payment of the Postpetition Retainer, ST&G shall not be obligated to continue to represent the Debtors in these cases.

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<sup>1</sup> Capitalized terms not defined herein shall have the meaning ascribed to such term in the Application.

1 **A. Services to be Rendered by ST&G.**

2 6. ST&G is composed of attorneys who limit their practice to the areas of  
3 insolvency, reorganization, and bankruptcy law. I believe that ST&G is well qualified to represent  
4 the Debtors. All attorneys comprising of or associated with ST&G who will render services in these  
5 chapter 11 cases are duly admitted to practice law in the courts of the State of California and in the  
6 United States District Court for the Central District of California or shall seek *pro hac vice*  
7 admission with respect to these cases. A summary of the experience and qualifications of those  
8 members of ST&G expected to render substantial services to the Debtors in these cases is attached  
9 hereto as Exhibit "1."

10 7. The Debtors desire to employ ST&G as their counsel in connection with the  
11 Debtors' chapter 11 cases, and in that regard requires reorganization counsel to render the following  
12 types of professional services:

- 13 a. To advise the Debtors regarding matters of bankruptcy law;
- 14 b. To represent the Debtors in proceedings and hearings in the United  
15 States Bankruptcy Court for the Central District of California involving matters of  
16 bankruptcy law;
- 17 c. To advise the Debtors concerning the requirements of the Bankruptcy  
18 Code, federal and local rules relating to the administration of these cases, and the effect of  
19 the case on the operation of the Debtors' business and affairs;
- 20 d. To prepare on behalf of the Debtors all necessary motions,  
21 applications, orders, and other legal papers; and
- 22 e. To assist the Debtors in the negotiation, preparation, confirmation, and  
23 implementation of a plan or plans of reorganization.

24 8. Prior to the Petition Date, ST&G and the Debtors executed a retention and  
25 retainer agreement whereby ST&G agreed to act as reorganization counsel for the Debtors.

26 9. In its capacity as counsel to the Debtors, ST&G will not be responsible for:  
27 (1) appearances before any court or agency, other than the United States Bankruptcy Court for the  
28 Central District of California, related appellate courts, or the Office of the United States Trustee;  
(2) litigation with respect to matters which are primarily disputes involving issues of nonbankruptcy

1 law; or (3) the provision of advice outside the insolvency area, such as corporations, securities, torts,  
2 environmental, labor, criminal, real estate, health care, administrative, or regulatory law. ST&G's  
3 responsibilities will not include collection matters or appellate work. Further, ST&G will not be  
4 required to devote attention to, form professional opinions as to, or advise the Debtors with respect  
5 to their disclosure obligations under federal securities or other nonbankruptcy laws or agreements.

6 **B. Compensation Arrangements.**

7 10. ST&G provided pre-bankruptcy and insolvency advice and services to the  
8 Debtors starting in February 2012. Prior to the Petition Date, ST&G received a retainer, paid from  
9 the monies advanced to the Debtors by its pre-petition secured lender, in the amount of \$150,000  
10 (the "Pre-Chapter 11 Retainer") for services rendered and expenses incurred prior to the filing of the  
11 Debtors' chapter 11 cases. Prior to the commencement of these Chapter 11 cases, ST&G drew down  
12 \$150,000 from the Pre-Chapter 11 Retainer for prepetition services rendered to the Debtors. The  
13 Debtors do not owe ST&G any amount for prepetition services.

14 11. ST&G acknowledges that the Chapter 11 Retainer is subject to Court review  
15 pursuant to Bankruptcy Code section 329(b).

16 12. In addition to the Chapter 11 Retainer, ST&G also received, from funds  
17 advanced by the Debtors' pre-petition secured lender, \$10,000 to be held in trust and to be paid as a  
18 retainer to Debtors' corporate counsel if and when retained (the "Corporate Counsel Retainer") and  
19 \$25,000 to cover filing fees and other expenses incurred in connection with the Debtors' chapter 11  
20 cases (the "Expense Retainer"). ST&G has deposited the Corporate Counsel Retainer and the  
21 Expense Retainer in the amount of \$35,000 in a segregated interest-bearing trust account. The  
22 Corporate Counsel Retainer shall only be used to in connection with the employment of corporate  
23 counsel, and the Expense Retainer shall only be used to pay costs and expenses related to these  
24 chapter 11 cases.

25 13. In June 2013, Quercus Trust, a shareholder of Colorep, Inc., advanced  
26 \$25,000 to ST&G prepetition (the "Quercus Retainer") to be used in connection with the preparation  
27 of the Debtors' chapter 11 cases. The Quercus Retainer was deposited in a ST&G trust account and  
28

1 was never drawn. The entire Quercus Retainer was returned to Quercus Trust prior to the Petition  
2 Date.

3 14. ST&G and the Debtor have agreed that ST&G shall be paid a post-petition  
4 retainer in the amount of \$125,000 ("Post-petition Retainer"), which shall be funded from the first  
5 distribution to be made by the DIP Lender pursuant to the Interim DIP Order. ST&G shall deposit  
6 the Post-petition Retainer in a segregated trust account to secure the payment of ST&G's fees and  
7 expenses as allowed by this Court. The Debtors shall also grant a security interest therein.

8 15. ST&G and the Debtors considered many factors in determining the amount of  
9 the Chapter 11 Retainer, the Corporate Counsel Retainer, the Expense Retainer, and the Post-petition  
10 Retainer, including: (i) the size and nature of the Debtors' operations; (ii) the number of the Debtors'  
11 creditors; (iii) the extent of the opposition anticipated to various actions in these chapter 11 cases;  
12 (iv) the probable duration of the chapter 11 cases and the time that ST&G will need to devote to the  
13 representation of the Debtors; (v) the time constraints related to the commencement of the chapter 11  
14 cases; and (vi) the fact that ST&G expects to incur significant out-of-pocket expenses in the course  
15 of rendering its professional services to the Debtors.

16 16. ST&G has agreed to accept, as compensation for its services in these cases,  
17 the Corporate Counsel Retainer, the Expense Retainer and the Post-petition Retainer, as well as such  
18 additional sums as may be allowed by this Court, based upon the time spent and services rendered,  
19 the results achieved, the difficulties encountered, the complexities involved, and other appropriate  
20 factors. Subject to the Court's approval, ST&G will charge the Debtors for ST&G's services in  
21 accordance with its ordinary and customary rates in effect at the time services are rendered. ST&G  
22 also reserves the right, depending upon the results achieved in these cases, to seek a bonus in  
23 addition to its hourly charges, which bonus would of course be subject to the approval of the Debtors  
24 and the Court. Attached hereto as Exhibit "2" is a list of (i) the current guideline hourly rates for  
25 ST&G; and (ii) the corresponding rates of those members of ST&G expected to render substantial  
26 services to the Debtors.

1 **C. Disinterestedness.**

2 17. In order to check for potential conflicts, ST&G conducted its standard  
3 conflicts check procedure. Specifically, ST&G identified secured creditors, certain equity holders,  
4 and the twenty largest unsecured creditors, and then used its conflicts check software program to  
5 generate a conflicts report. An ST&G member analyzed that conflicts check report for any potential  
6 conflicts.

7 18. ST&G will conduct an ongoing review of its files to ensure that no conflicts or  
8 other disqualifying circumstances exist or arise. If any new facts or circumstances are discovered,  
9 ST&G will supplement its disclosure to the Court.

10 19. In conducting its conflict check,<sup>2</sup> ST&G has identified the certain connections  
11 disclosed below.

12 i. Federal Express and Columbia Gas, which are creditors of the Debtors, may  
13 have been clients of ST&G. These representations of Federal Express and Columbia Gas were  
14 unrelated to the Debtors' chapter 11 cases, and these matters were concluded prior to retention by the  
15 Debtors.

16 ii. Platinum Corporation and Dupont Corporation, which are creditors of the  
17 Debtors, may have been clients of the ST&G in the past. These entities have similar names to  
18 parties ST&G represented in the past, but ST&G is unable to conclusively determine if these are the  
19 same entities. Notwithstanding this ambiguity, these representations were unrelated to the Debtors'  
20 chapter 11 cases, and these matters were concluded prior to retention by the Debtors.

21 iii. Prior to the retention of Colorep, ST&G consulted with Applied Solar, Inc.  
22 and Open Energy Corporation in two separate matters. Quercus Trust, which is a shareholder of the  
23 Debtors, was also an interest holder of both Applied Solar, Inc. and Open Energy Corporation.  
24 These representations were unrelated to the Debtors' chapter 11 cases, and these matters were  
25 concluded prior to retention by the Debtors.

26  
27 <sup>2</sup> The conflict searches include a search of ST&G's client records dating back to the 1970s.  
28 ST&G is not disclosing any connections regarding representations that occurred more than 20  
years ago.

1           20.     Except as described in, and subject to, paragraphs 17 through 21 below, to the  
2 best of ST&G's knowledge, based on the conflict searches conducted by ST&G, I believe that ST&G  
3 and all of the attorneys comprising or employed by it: (i) do not hold or represent an adverse interest  
4 in connection with the Debtors' chapter 11 cases; (ii) do not hold or represent an interest adverse to  
5 the interests of the Debtors' estates with respect to the matter on which ST&G is being employed;  
6 (iii) are "disinterested persons" within the meaning of section 101(14) of the Bankruptcy Code; and  
7 (iv) do not have any other connection with the Debtors, their creditors, any other party in interest,  
8 their respective attorneys or accountants, the Office of the U.S. Trustee (the "U.S. Trustee"), nor any  
9 person employed by the U.S. Trustee.

10           21.     ST&G has represented in the past, and may represent in the future, parties that  
11 are creditors or other parties in interest in the Debtors' chapter 11 cases in matters entirely unrelated  
12 to the Debtors' chapter 11 cases. If ST&G undertook any new representation, it would require any  
13 such party to agree that that representation does not give rise to a conflict or disqualify ST&G from  
14 its continued representation of the Debtors.

15           22.     Several attorneys at ST&G have spouses, parents, children, siblings, fiancés or  
16 fiancées who are attorneys at other law firms and companies. Those law firms and companies are  
17 Gibson, Dunn & Crutcher; Greenberg Traurig LLP; Owens & Gach Ray; Pachulski, Stang, Ziehl &  
18 Jones; Kendall, Brill & Klieger LLP; Cahill & Glazer; Saltzburg, Ray & Bergman; Law Offices of  
19 Gose & Lechman; and Waters, Kraus & Paul. ST&G has strict policies against disclosing  
20 confidential information to anyone outside of the firm, including spouses, parents, children, siblings,  
21 fiancés, and fiancées.

22           23.     The following supplemental disclosure is made in compliance with Form 2014-1  
23 for the United States Bankruptcy Court for the Central District of California (references to ST&G  
24 include all members who are expected to render services in this case):

25           a.       ST&G is not and was not a creditor, an equity security holder, or an  
26 insider of the Debtors, except that ST&G has previously rendered legal services to the Debtors for  
27 which it has been compensated as disclosed above.

28



1 b. ST&G is not and was not an investment banker for any outstanding  
2 security of the Debtors.

3 c. ST&G is not and was not, within three years before the Petition Date,  
4 either an investment banker for a security of the Debtors or an attorney for any such investment  
5 banker in connection with the offer, sale, or issuance of any security of the Debtors.

6 d. ST&G is not and was not, within two years before the Petition Date, a  
7 director, officer, or employee either of the Debtors or of any investment banker for any security of  
8 the Debtors.

9 e. ST&G is not a relative or an employee of the U.S. Trustee or a  
10 Bankruptcy Judge in the Central District of California.

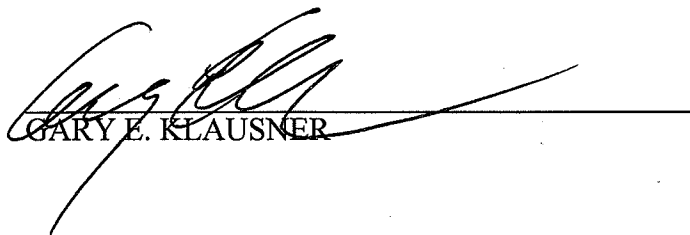
11 f. ST&G has no interest materially adverse to the interests of the  
12 Debtors' estates or of any class of creditors or equity security holders, either by reason of any direct  
13 or indirect relationship to, connection with, or interest in the Debtors or an investment banker for any  
14 security of the Debtors or for any other reason.

15 24. Other than with respect to its own members and of counsel, ST&G has agreed  
16 not to share with any person or firm the compensation to be paid for professional services it renders  
17 in connection with this case.

18 25. I am the shareholder of ST&G who will bear primary responsibility for  
19 supervising the representation of the Debtors, and I believe that ST&G is competent to represent the  
20 interests of the Debtors as counsel in connection with these chapter 11 cases.

21  
22  
23 I declare under penalty of perjury that the foregoing is true and correct to the best of  
24 my knowledge and belief.

25 Executed on July 18, 2013, at Los Angeles, California.

26  
27  
28   
GARY E. KLAUSNER

**EXHIBIT "1"**

## **Exhibit "1"**

### **BIOGRAPHIES OF MEMBERS OF STUTMAN, TREISTER & GLATT PROFESSIONAL CORPORATION EXPECTED TO RENDER SUBSTANTIAL SERVICES TO THE DEBTOR**

**Gary E. Klausner:** Mr. Klausner is a senior shareholder at Stutman, Treister & Glatt. He received a B.A. in 1971 from the University of Maryland and a J.D. with honors in 1974 from the University of Maryland School of Law. He served on the editorial staff of the University of Maryland Law Review from 1972 to 1973. He was admitted to practice law in the State of Maryland in 1974 and California in 1976. He is also admitted to practice before the United States District Court for the Central District of California, the United States Circuit Court of Appeals for the Ninth Circuit and the United States Supreme Court.

Since 1976 Mr. Klausner has devoted his practice exclusively to bankruptcy, corporate reorganization and debtor/creditor matters and has represented chapter 11 debtors, secured and unsecured creditors, creditors' committees, trustees and receivers, licensors and franchisors, purchasers of assets out of bankruptcy cases and parties involved in litigation and appeals in connection with bankruptcy cases. He has handled cases involving a broad range of businesses and industries, including real estate development, hotels and restaurants, manufacturing, aerospace, retail, entertainment, transportation and health care.

In addition to client matters, Mr. Klausner has been actively involved and has held prominent positions in local and national professional organizations and bar associations. Mr. Klausner is a member of the Board of Governors of the Financial Lawyers Conference and served as its President from 1993 through 1994. He is a Board member of the Los Angeles Bankruptcy Forum (serving as its President in 2003-2004), a member of the American Bar Association, Section on Business Law, where he chaired a task force on The Economics of Chapter 11 Practice, and is Chair of the Subcommittee on Bankruptcy Fraud, Crimes and Abuse of the Bankruptcy Process. He is a member of the Los Angeles County Bar Association, where he has served as a member of the Executive Committee of the Commercial Law and Bankruptcy Section as well as being Vice-Chair of the Section's Bankruptcy Committee.

Mr. Klausner lectures frequently on subjects involving bankruptcy and commercial law and has published numerous articles on bankruptcy-related topics. Mr. Klausner authored "Section 1111(b) Look Before You Leap," 2 Bankruptcy Study Group Journal 15 (1986). He also co-authored "Chapter 11: The Bank of Last Resort," The Business Lawyer, November, 1989; Vol. 45, No. 1, and "The New Bankruptcy Rules," 4 Bankruptcy Study Group Journal 64 (1987). Mr. Klausner was an adjunct Professor of Law at Southwestern University School of Law from 1982 through 1986.

The numerous chapter 11 debtors whom Mr. Klausner has represented include Mr. Gasket Co. and Prism Entertainment Corporation, both of which are public companies, Packaging Corporation of America; Super Shops, Inc.; Cannon Pictures; Maguire Thomas Partners; Fifth & Grand, Ltd.; ABC International Traders, Inc.; Maxicare; Watts Health Foundation, Inc., dba UHP Healthcare; and Valley Health System. Mr. Klausner has represented creditors committees in cases such as Consolidated Freightways, Westward Ho Markets, Naki Electronics, Prime Matrix, The Movie Group, American Restaurant Group and Solidus Networks, Inc.

**Margreta Morgulas:** Ms. Morgulas is a shareholder with Stutman, Treister & Glatt, where she previously practiced as an Associate from 2001 and until resigning and moving to Albany, NY in 2006. While in Albany, she practiced with the regionally-recognized law firm Whiteman Ostermann & Hanna from 2006-2008. She re-joined the firm in 2008, where she presently resides and works in the firm's New York City office.

Throughout her tenure at the firm, Ms. Morgulas has devoted her practice to the restructuring of business entities in a wide variety of industries, and complex litigation pertaining to issues arising in or as a result of such restructurings. She has also often played a significant role in advising out of court or representing in court all of the following: significant secured creditors, official and unofficial committees of creditors and equity interest holders, and potential bidders of assets of a bankrupt company.

Since playing a key role in the successful restructuring of Mariner Post-Acute Network, Inc., Mariner Health Group, Inc., and 185 affiliated entities, which collectively operated approximately 400 skilled nursing and long-term acute care facilities, from 2001-2004, Ms. Morgulas has utilized the knowledge she gained in that engagement to aid in several other high profile cases involving health care businesses and providers.

Ms. Morgulas has often played an active role representing and advising parties in connection with SEC-initiated, FDIC-led, and SIPC-led receiverships pending around the country and involving many different types of companies and issues. Recent engagements involved the FDIC-led receivership of Washington Mutual Bank, Inc.; the SEC-initiated receiverships of Medical Capital and Samex Partners, and others.

Ms. Morgulas also regularly advises a number of hedge funds on a non-public basis in connection with actual or potential investments in distressed debt. Additionally, she recently oversaw and coordinated (as well as wrote significant portions of the factual background) the firm's fact finding in connection with the preparation of the Report issued by the Court-appointed Examiner in the chapter 11 cases of *In re Extended Stay Inc.*, 09-13764, U.S. Bankruptcy Court, Southern District of New York (Manhattan).

Ms. Morgulas is active in several professional organizations, including the American Bar Association, the American Bankruptcy Institute, IWIRC, and Turnaround Management Association. She also presently serves as an ABI Volo Editor.

In connection with her work while in Albany, which involved, in part, work on several complex corporate transactions involving the development of wind power in northern New York, Ms. Morgulas co-authored "Regional and State-Based Climate Change Initiatives in the United States," (with Catherine S. Hill), NY State Barr Assoc. NYSBA Government, Law and Policy Journal, Vol. 10, No. 1, pp. 41-49.: Summer 2008.

She was admitted to the Delaware, California, and New York bars in 1999, 2003, and 2007, respectively. She is an active member of the bars of California and New York. Ms. Morgulas is authorized to practice in numerous U.S. District Courts around the country, including the Northern and Southern Districts of New York and the Northern, Central, and Southern Districts of California.

Ms. Morgulas received her J.D. from The Law School at the University of Chicago in 1999. She received her B.A., cum laude, from Brigham Young University in 1996.

**Kizzy L. Jarashow:** Ms. Jarashow is an associate of Stutman, Treister & Glatt, and is resident in the firm's New York City office. She joined the firm in 2012, after working at two prominent New York firms in the field of corporate restructuring and bankruptcy. Ms. Jarashow represents debtors and creditors in complex bankruptcy, insolvency, restructuring and reorganization matters. Recent representative engagements include her work as counsel to creditors and derivatives counterparties in the chapter 11 cases of Lehman Brothers Holdings and counsel to consortiums of bondholders in the chapter 11 cases of Tribune Company and Washington Mutual. She has also represented clawback defendants in the SIPC proceedings of Bernard L. Madoff Investment Securities LLC and former clients and partners in the chapter 11 case of Dewey & LeBoeuf LLP.

Ms. Jarashow has also served as debtors' counsel in the chapter 11 cases of Mervyn's Holdings LLC, Powermate Holding Corp., Linens 'N Things and Fluid Routing Solutions.

Ms. Jarashow is active in several professional organizations, and has written several articles on topics relevant to her practice.

She is a member of the New York bar, and is admitted to practice before the United States District Courts for the Southern and Eastern Districts of New York.

Ms. Jarashow received her J.D., cum laude, from Fordham University School of Law in 2007, where she was Notes and Articles Editor of the Fordham Journal of Corporate and Financial Law. She graduated in 2004 from New York University with a B.A., where she received the Founders' Day Award for academic excellence.

During law school, Ms. Jarashow served as a judicial extern to The Honorable Barbara S. Jones of the Unit

**Danielle A. Pham:** Ms. Pham is a member of ST&G and was admitted to the California and New York state bars in 2010. She attended Santa Clara University, where he received his B.S. in Commerce, *magna cum laude*. Ms. Pham received her J.D. from Harvard Law School in 2009. While in school, Ms. Pham served as an articles editor for the Harvard Civil Rights-Civil Liberties Review.

Prior to joining ST&G, Ms. Pham was an associate, practicing in New York, primarily representing debtors in large-cap chapter 11 proceedings and bankruptcy-related litigation. These representations included debtor-side representations in NewPage Corporation, Capmark Financial Group, Ambac Financial Group, and the Los Angeles Dodgers.

## **EXHIBIT "2"**

**EXHIBIT "2"**

**STUTMAN, TREISTER & GLATT  
PROFESSIONAL CORPORATION  
RANGE OF HOURLY RATES**

<i>General Range of Rates</i>	<i>Billing Rate Effective 01/01/2013</i>
Principals	\$450 - \$1,065
Of Counsels	\$555-\$950
Associates	\$350 - \$545
Law Clerks	\$270
Paralegals	\$240
 <i>Attorneys Expected to be Most Active in this Case</i>	
Gary E. Klausner	\$860
Margreta M. Morgulas	\$695
Kizzy L. Jarashow	\$485
Danielle A. Pham	\$350
 <i>Paralegal Expected to be Most Active in this Case</i>	
Kendra A. Johnson	\$240

## PROOF OF SERVICE OF DOCUMENT

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

A true and correct copy of the foregoing document entitled (*specify*): **APPLICATION FOR ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF STUTMAN, TREISTER & GLATT, P.C., AS REORGANIZATION COUNSEL FOR THE DEBTORS AND DEBTORS IN POSSESSION; DECLARATION OF GARY E. KLAUSNER IN SUPPORT THEREOF (INCLUDING DISCLOSURES PURSUANT TO 11 U.S.C.**

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 (*date*) July 18, 2013, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

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

On (*date*) July 18, 2013, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) July 18 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.

**Served by Federal Express**

Honorable Julia W. Brand  
United States Bankruptcy Court  
255 E. Temple Street, Courtroom 1375  
Los Angeles, California 90012

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.

7/18/13

*Date*

Lisa Masse

*Printed Name*

/s/ Lisa Masse

*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)**

Brian L Davidoff on behalf of Creditor Quercus Trust

bdavidoff@greenbergglusker.com,

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

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

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

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

ron.maroko@usdoj.gov

Margreta M Morgulas on behalf of Debtor Colorep, Inc.

mmorgulas@stutman.com

Frank T Pepler on behalf of Creditor Meserole, LLC

frank.pepler@dlapiper.com

Danielle A Pham on behalf of Debtor Colorep, Inc.

dpham@stutman.com, daniellepham@gmail.com

United States Trustee (LA)

ustpreion16.la.ecf@usdoj.gov

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

Debtor: Colorep, Inc. c/o Law Offices of Joseph P. Bartlett 1900 Avenue of the Stars 20th Floor Los Angeles, CA 90067	Office of the US Trustee Ron Maroko , Esq. 725 S Figueroa St Ste 2600 Los Angeles, CA 90017 213-894-4520	<b>Secured Lenders</b>
Meserole, LLC Attn: Ari Hirt 152 W 57th Street, 4th Floor New York, New York 10019	Counsel to Meserole LLC DLA Piper LLP (US) Attn: Stuart Brown 919 North Market Street Suite 1500 Wilmington, Delaware 19801	<b>Parties Asserting a Secured Interest</b>
Debs Corporation 8F Honmachi Center Building 2-6-10 Honmachi Chuo-ku Osaka 541-0053 JAPAN	BDG (Larry Levy) 177 Riverside Drive Newport Beach, CA 92663	Cheran Digital Imaging & Consulting 798 Burnt Gin Road Gaffney, South Carolina 29340

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

Cheran Digital Imaging & Consulting 1506 Old Georgia Hwy Gaffney, SC 29341	Counsel to Cheran Digital Imaging & Consulting Dillina W. Stickley Hoover Penrod PLC 342 South Main Street Harrisonburg, VA 22801	Danzas Corporation t/a DHL Global Forwarding 433B Carlisle Drive, Herndon, VA 20170
Counsel to Danzas Corporation David H. Gougher PC 7834 Forest Hill Avenue Richmond, VA 23225	Waste Management of Virginia 3580 S. Main Street Harrisonburg, VA 22801	Counsel to Waste Management of Virginia David H. Gougher PC 7834 Forest Hill Avenue Richmond, VA 23225
Fisher Textiles, Inc. 139 Business Park Drive Indian Trail, NC 28079	Vern & Mary Jane Michael LC 8218 Port Republic Rd Port Republic, VA 24471-2654	Counsel to Vern & Mary Jane Michael LC Litten & Sipe Attn: Melisa G. Michelsen, Esq. 410 Neff Avenue Harrisonburg, VA 22801
Roy Rolando 509 Wirt Avenue Elkton, VA 22827	Counsel to Roy Rolando Roland Santos 52 E Market Street Harrisonburg, VA 22801	Riddleberger Brothers 6127 S. Valley Pike Mt. Crawford, VA 22841
Counsel to Riddelberg Brothers Lenhart Obenshain 100 10th Street NE Suite 300 Charlottesville, VA 22902	Victoria Home Imp. LLC 3200 Honey Flower Ct Chesapeake, VA 23323-1952	Summit Financial Resources 2455 East ParleysWay, Salt Lake City, UT 84109
Faunus Group International, Inc. 80 Broad Street, 22 <sup>nd</sup> Floor New Yorkm NY 10004	David Gelbaum, Trustee Quercus Trust 1835 Newport Blvd, A109 - PMB 467 Costa Mesa, CA 92627	Counsel for Quercus Trust Brian Davidoff, Esq. Greenberg Glusker, et al. 1900 Avenue of the Stars, 21 <sup>st</sup> Floor Los Angeles, CA 90067
Dolly & Robert K. Raisler Foundation, Inc. 2600 Netherland Avenue, #520 Bronx, NY 10463 - 4857	David Grzan 2680 Silver View Drive Orono, MN 55356	Anne Rand 392 Rutland Avenue Teaneck, NJ 07666
Steven R. Jacobson 2600 Netherland Avenue, #520 Bronx, NY 10463	Sensient Imaging Technologies 777 East Wisconsin Avenue Milwaukee, WI 53202-5304	Valley Industrial Trucks 1152 Meadowbrook Ave. Youngstown, OH 44512
Valley Industrial Trucks (NMAC) 990 W 190th St Torrance, CA 90502-1014	Internal Revenue Service PO Box 145595 Cincinnati, OH 45250-5595	Kuehne & Nagel, Inc. Stephen Savarese, Esq. 10 Exchange Place Jersey City, NJ 07302
Counsel to Kuehne & Nagel, Inc. Halperin Battaglia Raicht, LLP Attn: Carrie E. Essensfeld 40 Wall Street, 37th Floor New York, NY 10005	Compressor Parts & Repairs 8256 Rising Creek Ln Broadway, VA 22815	Essex Temporary Service, Inc. 1501 Broadway New York, NY 10036

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

Dougherty Equipment 591 Belle Circle Harrisonburg, VA 22801	Geno's Coffee LLC 253 Bookerdale Rd Waynesboro, VA 22980	Pitney Bowes Credit Corp 27 Waterview Dr Shelton, CT 06484-4301
SIK Associates Kaufman Management Company, LLC Attn: Steven J. Kaufman 450 Seventh Avenue New York, New York 10123	Stork Prints America 3201 N 1-85 Charlotte, NC 28269	Silvious, Peggy R. 623 Gypsy Ln, Elkton, VA, 22827
Silvious, Peggy R. 995 Floyd Cir, Mc Gaheysville, VA, 22840	Robert Fellows 1176 Portland Dr Harrisonburg, VA 22801-8627	Deborah Wagner 5048 Scotts Ford Road Mount Crawford, VA 22841
<b>20 Largest Creditors</b>	Anthem Blue Cross Blue Shield Attn: Dianne Loving P.O. Box 580494 Charlotte, NC 28258	Domtar Corporation Port Huron Mill 1700 Washington Avenue Port Huron, Michigan 48060
Domtar Corporation Subsidiary Of Domtar Ind 1700 Washington Avenue Port Huron, MI 48060	Dominion Va Power Attn: Barbara Smith P.O. Box 26666 Richmond, VA 23261-6666	Dominion Virginia Power P.O. Box 26019 Richmond, VA 23260-6019
Krausz Puente LLC c/o The Krausz Companies 44 Montgomery St, Ste 3300 San Francisco, CA 94104	Krausz Puente LLC 11383 Newport Dr Rancho Cucamonga, CA 91730-5536	Stonefield Josephson, Inc. Attn: Steve Rapattoni, CPA 5 Park Plaza, Suite 700 Irvine, CA 92614
Susan D'Arcy aka SRD International 95 East Broadway Roslyn, NY 11576	Mimaki USA, Inc. c/o Wiliam Hearnburg, Jr. Smith, Gambrell & Russell, LLP Promenade, Suite 3100 1230 Peachtree Street N.E. Atlanta, GA 30309	Mimaki USA, Inc. Dept. CH 17368 Palatine, IL 6055-7368
Bonnie Julian 1244 Pole Branch Rd Clover, SC 29710	L.H. Charney Associates, LLC Attn: Bruce Block 1441 Broadway New York, New York 10018	Counsel to L.H. Charney Associates, LLC Attn: Scott S. Markowitz Tarter Krinsky & Drogin LLP 1350 Broadway New York, NY 10018
Fish & Associates Attn: Mei Tsang 2603 Main Street Suite 10000 Irvine, CA 92614-4271	Fedex – Techconnect Attn: Pam Gish Lockbox 360353 500 Ross St. Rm 154-0455 Pittsburg, PA 15252	Federal Express Corp. PO Box 371461 Pittsburgh, PA 15250-7461
Stand Energy Corporation Attn Kathy Kellems, Credit Manager 1077 Celestial St Suite 110 Cincinnati, OH 45202	Stand Energy Corporation PO Box 632712 Pittsburgh, PA 15250-7461	Carlo Tenconi Via Stromboli 209 Milan 20144 ITALY

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

Atlantic Paper Company 430 Feheley Drive King of Prussia, PA 19406	Univar USA, Inc. Attn: Doug Putney 1001 Old Bermuda Hundred Rd Chester, VA 23836	Univar USA, Inc. P. O. Box 409692 Atlanta, GA 30384-9692
PBMares /PBGH Attn: Mary Aldrich 558 South Main Street Harrisonburg, VA 22801	Columbia Gas GTS Account P.O. Box 742529 Cincinnati, OH 45274-2529	Chemsolv, Inc. P.O. Box 13847 Roanoke, VA 24037
Dupont Company Attn: Jenna Pike 1007 Market Street Wilmington, DE 19898	Dupont Company Cashier's Office D-8003-3 1007 Market Street Wilmington, DE 19898	Shelter Capital Partners fka Yazam LLC Attn: Rodney Friedman 10880 Wilshire Blvd., Suite 1850 Los Angeles, CA 90024 Attn: Rodney Friedman
Nexeo Solutions 3 Waterway Square Place Suite 1000 The Woodlands, Texas 7738	Nexeo Solutions LLC 62190 Collections Center Dr Chicago, IL 60693-0621	<b>Other Parties in Interest</b>
<b><u>Served by Certified Mail</u></b> Union Bank of California Attn: Jose Duenes 1980 Saturn St. Monterey Park, CA 91755	<b><u>Served Via Certified Mail</u></b> Wells Fargo Bank N.A. 141 East Market Street Harrisonburg, VA 22801	<b>Governmental Agencies</b>
Internal Revenue Service PO Box 7346 Philadelphia, PA 19101-7346	Employment Development Department Bankruptcy Group MIC 92E PO Box 826880 Sacramento, CA 94280-0001	State of California Franchise Tax Board Bankruptcy Section, MS: A-340 PO Box 2952 Sacramento, CA 95812-2952

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