

1 GARY E. KLAUSNER (STATE BAR NO. 69077)  
2 MARGRETA M. MORGULAS (STATE BAR NO. 224950), and  
3 MICHAEL S. NEUMEISTER (STATE BAR NO. 274220), Members of  
4 **STUTMAN, TREISTER & GLATT**  
5 **PROFESSIONAL CORPORATION**  
6 1901 Avenue of the Stars, 12th Floor  
7 Los Angeles, CA 90067  
8 Telephone: (310) 228-5600  
9 Telecopy: (310) 228-5788  
10 Email: gklausner@stutman.com  
11 mmorgulas@stutman.com  
12 mneumeister@stutman.com

[Proposed] Reorganization Counsel  
for Debtors and Debtors in Possession

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

**UNITED STATES BANKRUPTCY COURT**

**CENTRAL DISTRICT OF CALIFORNIA**

**LOS ANGELES DIVISION**

15 In re ) Case No. 13-bk-27689-WB  
16 )  
17 COLOREP, INC., ) Chapter 11  
18 a California corporation, *et al.*, ) (Jointly Administered)  
19 )  
20 Debtors. ) **APPLICATION FOR ORDER**  
21 ) **AUTHORIZING THE EMPLOYMENT**  
22 Tax I.D. Nos. 94-3055026 (Colorep, Inc.) and ) **AND RETENTION OF STUBBS,**  
23 54-1200596 (Transprint USA, Inc.) ) **ALDERTON & MARKILES, LLP AS**  
24 ) **SPECIAL CORPORATE COUNSEL**

Hearing

*[No Hearing Requires Unless Requested  
Under Local Bankruptcy Rule 9013-1(o)]*

1 Colorep, Inc. ("Colorep") and Transprint USA, Inc. ("Transprint", and together with  
2 Colorep, the "Debtors"), the debtors and debtors in possession in the above-captioned bankruptcy  
3 proceedings, hereby apply, under Bankruptcy Code sections 327(e) and 1107 of the Bankruptcy  
4 Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule  
5 2014-1(b) of the Local Bankruptcy Rules for the United States Bankruptcy Court Central District of  
6 California (the "Local Rules"), for entry of an order authorizing the Debtors to employ Stubbs,  
7 Alderton & Markiles, LLP ("Stubbs") as their special corporate counsel, *nunc pro tunc* to July 25,  
8 2013 (the "Application"). This Application is supported by the accompanying "Declaration of  
9 Jonathan R. Hodes" (the "Hodes Application") attached hereto, and includes Stubbs' disclosures  
10 under Bankruptcy Code section 329(a) and Bankruptcy Rule 2014. In support of this Application,  
11 the Debtors respectfully represent as follows:

12 **I.**

13 **BACKGROUND**

14 **A. The Bankruptcy Filing and Jurisdiction.**

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

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

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

22 **B. General Background.**

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

28 In 2007, Colorep began licensing AirDye® technology to manufacturers and resellers

1 in the home interior, hospitality and apparel industries, which licensing continues to be very  
2 profitable for Colorep.

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

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

10 **C. Prepetition Services Rendered by Stubbs.**

11 Stubbs has worked with the Debtors on transactional and corporate governance  
12 matters since June 2013. Past services have included advice with respect to the Debtors'  
13 organizational documents as they relate to the Debtors' pending bankruptcy proceedings; and on  
14 various state and federal WARN Act matters in connection with termination of employees.

15 **II.**

16 **RELIEF REQUESTED**

17 The Debtors wish to employ Jonathan Hodes, Joe Stubbs, Jason Lee, and other  
18 members, associates and of-counsel attorneys of Stubbs as the Debtors' special counsel in connection  
19 with these cases, effective as of the Petition Date. Stubbs is a firm experienced in a wide array of  
20 practice areas, and is particularly experienced in the areas of complex transactional work and  
21 corporate matters. Based on this experience, Stubbs provided services to the Debtors prepetition in  
22 advising them on corporate governance and general contract issues. As such, Stubbs possesses legal  
23 expertise regarding, and significant familiarity with, the legal issues and background facts central to  
24 the organizational, contractual, and other nonbankruptcy corporate issues that might arise involving  
25 the Debtors. A summary of the experience and qualifications of those members of Stubbs expected  
26 to render substantial services to the Debtors is attached as Exhibit "1" to the Hodes Declaration.

27 The Debtors require special corporate counsel to render the following types of  
28 professional services:

- 1           a.       Providing general corporate advice to the Debtors and their boards of  
2 directors, including any special committees formed, related to governance and operations.  
3           b.       Attending any board of director or special committee meetings, as requested  
4 by the Debtors.  
5           c.       Analyzing and drafting agreements required in connection with the sale of the  
6 Debtors' assets, including making sure that any subject transactions conform with applicable  
7 nonbankruptcy law.  
8           d.       Preparing contracts or agreements related to the governance or operations of  
9 the Debtors.

10                 Stubbs will not be responsible for matters of bankruptcy law, including general  
11 representation of the Debtors in these chapter 11 cases, as the Debtors have already retained  
12 reorganization counsel for such purposes, specifically the firm of Stutman, Treister & Glatt  
13 Professional Corporation ("Stutman").

14 **A.     Stubbs' Compensation.**

15                 As previously noted, Stubbs has provided legal advice and services to the Debtors  
16 since June 2013. During the one year period before the Petition Date, Stubbs received no  
17 compensation from the Debtors for prepetition services rendered on the Debtors' behalf. The  
18 Debtors do not owe Stubbs any amount for prepetition services.<sup>1</sup>

19                 Stubbs has agreed to accept as compensation for its services in these cases such sums  
20 as may be allowed by the Court in accordance with law, based upon the time spent and services  
21 rendered, the results achieved, the difficulties encountered, the complexities involved, and other  
22 appropriate factors. Subject to the Court's approval, Stubbs will charge the Debtors for its services  
23 in accordance with its hourly rates in effect at the time services are rendered. A summary of (i) the  
24 range of the applicable current hourly rates for Stubbs, and (ii) the hourly rates of those members of  
25 Stubbs expected to render substantial services to the Debtors, is attached as Exhibit "2" to the Hodes  
26 Declaration.

27 <sup>1</sup> Stubbs has waived a claim for unpaid prepetition invoices in the amount of approximately  
28 \$9,300.

1 On July 15, 2013, Stubbs received a \$10,000 postpetition retainer to secure the  
2 payment of a portion of Stubbs' fees and expenses, as allowed by this Court, during these cases (the  
3 "Chapter 11 Retainer"). The Chapter 11 Retainer was funded from the distribution made by  
4 Meserole, LLC under the postpetition financing approved on an interim basis by the Court on July  
5 18, 2013 [Docket No. 56]. The Chapter 11 Retainer has been deposited into a segregated, interest-  
6 bearing trust account. Stubbs acknowledges that the Chapter 11 Retainer is subject to Court review  
7 under Bankruptcy Code section 329(b). In addition, to the extent the fees for services and expenses  
8 allowed pursuant to orders of the Court under Bankruptcy Code section 330 do not exceed the  
9 amount of the Chapter 11 Retainer, Stubbs will promptly return the difference to the Debtors' estates.

10 The Debtors intend for Stubbs' fees and costs to be paid, in part, by having Stubbs  
11 draw down on the Chapter 11 Retainer on a monthly basis pursuant to Section I.B. of the "Guide to  
12 Applications for Retainers, and Professional and Insider Compensation," issued by the Office of the  
13 United States Trustee (the "UST"). To implement such monthly draw down and payment of Stubbs's  
14 fees and costs, the Debtors propose the following procedures:

15 1. Before the Chapter 11 Retainer is drawn down each month, Stubbs will  
16 deliver to the UST monthly invoices, together with documentation supporting the charges (each a  
17 "Professional Fee Statement"), showing the amount of fees Stubbs has incurred for professional  
18 services rendered and the amount of expenses incurred on behalf of the Debtors for which Stubbs  
19 seeks reimbursement, by no later than the 20th day after the end of the month during which the  
20 services were rendered.

21 2. Stubbs will also serve copies of the Professional Fee Statement (without  
22 supporting documentation) on the Debtors, the Debtors' secured creditors or parties asserting liens  
23 against the Debtors' assets, any committee that may be appointed in these cases or the twenty largest  
24 creditors if no committee is appointed, other parties in interest who request special notice in these  
25 cases, and their counsel (the "Notice Parties"). If no objection to the Professional Fee Statement is  
26 filed and served within ten (10) days after the service of the Professional Fee Statement, Stubbs will  
27 withdraw from its trust account 80% of the amount of fees and 100% of the amount of costs  
28 represented by that monthly invoice and will pay to itself those sums without further notice, hearing

1 or order of the Court. If a written objection to Stubbs' monthly invoice is filed by a party in interest,  
2 Stubbs will refrain from withdrawing the disputed funds from its trust account until the objection has  
3 been resolved by the Court.

4 3. After the Chapter 11 Retainer is exhausted, Stubbs will receive further  
5 payment from the Debtors for its fees and costs incurred in these chapter 11 cases only upon further  
6 Court order. If appropriate, pursuant to 11 U.S.C. § 331, Stubbs will file an application with the  
7 Court approximately every 120 days seeking interim allowance of its fees and costs incurred to that  
8 date and paid pursuant to these monthly payment procedures.

9 4. The Debtors and Stubbs understand that this proposed compensation  
10 arrangement is subject to the provisions of 11 U.S.C. § 330 and final allowance by the Court. If the  
11 aggregate amounts drawn down by Stubbs from the Chapter 11 Retainer exceed the amount that is  
12 ultimately allowed to Stubbs, then Stubbs will be required to and shall promptly repay to the Debtors  
13 any such difference.

14 As of the filing of this Application, the Chapter 11 Retainer represents the Debtors'  
15 only available funds to compensate Stubbs for its services in these cases. If, after the Chapter 11  
16 Retainer is exhausted, a mutually satisfactory agreement cannot be reached between the Debtors and  
17 Stubbs as to the payment of Stubbs' ongoing fees and expenses, then Stubbs shall be permitted to  
18 withdraw from its representation of the Debtors in these bankruptcy cases.

19 **B. Stubbs' Disclosures.**

20 To the best of the Debtors' knowledge, based upon the accompanying Hodes  
21 Declaration, except as they are and have been the attorneys for the Debtors and except as otherwise  
22 set forth in the Hodes Declaration, none of Stubbs or the attorneys comprising or employed by it  
23 hold or represent an interest adverse to the estates with respect to the matters on which they are to be  
24 employed, and do not have any connection with the Debtors, their estates, their creditors, the UST,  
25 or any other party in interest in these cases or with their respective attorneys or accountants other  
26 than as disclosed in the Hodes Declaration. The Court is respectfully directed to paragraphs 14  
27 through 15 of the Hodes Declaration for disclosures relating to Stubbs' connections with the Debtors,  
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1 their shareholders, their creditors, and other entities in which the Debtors' shareholders own an  
2 interest.

3 The following supplemental disclosures are made with respect to Stubbs' connections  
4 with the Debtors and in compliance with Form 2014-1 for the United States Bankruptcy Court for  
5 the Central District of California. References to Stubbs include all members who are expected to  
6 render services in these cases.

7 a. Stubbs is not and was not equity security holder, or an insider of the Debtors.  
8 Stubbs previously held a claim against the Debtors in the approximate amount of \$9,300 for unpaid  
9 invoices, but Stubbs has waived this claim.

10 b. Stubbs is not and was not an investment banker for any outstanding security  
11 of the Debtors.

12 c. Stubbs is not and was not, within three years before the Petition Date, either  
13 an investment banker for a security of the Debtors or an attorney for any such investment banker in  
14 connection with the offer, sale, or issuance of any security of the Debtors.

15 d. Stubbs is not and was not, within two years before the Petition Date, a  
16 director, officer, or employee either of the Debtors or of any investment banker for any security of  
17 the Debtors.

18 e. No member of Stubbs is a relative or an employee of the UST or a Bankruptcy  
19 Judge in the Central District of California.

20 f. Stubbs neither holds nor represents any interest materially adverse to the  
21 interests of the Debtors' estates or of any class of creditors or equity security holders, either by  
22 reason of any direct or indirect relationship to, connection with, or interest in the Debtors or an  
23 investment banker for any security of the Debtors, or for any other reason.

24 In order to check for potential conflicts, Stubbs conducted its standard conflicts check  
25 procedure. Specifically, Stubbs cross-checked the names of its past and present clients against the  
26 names of the Debtors' twenty (20) largest unsecured creditors, all secured creditors and parties that  
27 have asserted liens against the Debtors' assets, and all equity holders owning more than a 5% interest  
28 in the Debtors. After reviewing the conflicts check report, Stubbs has determined that, except as

1 otherwise noted herein and in the Hodes Declaration, it does not hold or represent an interest adverse  
2 to the estate and does not have any connection with the Debtors, its estates, its creditors, the UST, or  
3 any other party in interest in these cases or with their respective attorneys or accountants.

4 Stubbs will conduct an ongoing review of its files to ensure that no conflicts or other  
5 disqualifying circumstances exist or arise. If any new facts or circumstances are discovered, Stubbs  
6 will supplement its disclosure to the Court.

7 Other than with respect to its own members and of counsel, Stubbs has agreed not to  
8 share with any person or firm the compensation to be paid for professional services it renders in  
9 connection with this case.

10 The employment of Jonathan Hodes, Joe Stubbs, Jason Lee, and other members,  
11 associates, and attorneys of counsel of Stubbs as the Debtors' special counsel is in the best interest of  
12 the Debtors' estates and their creditors.

13 This Application has been served on the UST, and other parties required to be served  
14 in these bankruptcy cases. The Debtors respectfully submit that such service and notice is sufficient  
15 under the circumstances and that no other or further notice need be provided.

16 WHEREFORE, the Debtors request authority to employ Jonathan Hodes, Joe Stubbs,  
17 Jason Lee, and other members, associates and attorneys of counsel of Stubbs as special corporate  
18 counsel with compensation at the expense of the Debtors' estates in such amount as this Court may  
19 hereafter allow.

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1 DATED: July 31, 2013

COLOREP, INC.,  
a California corporation,

and

TRANSPRINT USA, INC.,  
a Virginia Corporation



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

8 SUBMITTED BY:

10 /s/ Michael S. Neumeister

11 GARY E. KLAUSNER  
12 MARGRETA MORGULAS, and  
13 MICHAEL S. NEUMEISTER, Members of  
STUTMAN, TREISTER & GLATT  
PROFESSIONAL CORPORATION

**DECLARATION OF JONATHAN R. HODES**

I, Jonathan R. Hodes, 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 Principal at the law firm of Stubbs, Alderton & Markiles, LLP ("Stubbs"), proposed special corporate counsel for Colorep, Inc. and Transprint USA, Inc. (collectively, the "Debtors") in the above-captioned cases.

3. I submit this declaration pursuant to Federal Rule of Bankruptcy Procedure 2014(a) in support of the Debtors' *Application for Order Authorizing the Employment and Retention of Stubbs, Alderton & Markiles, LLP as Special Corporate Counsel* (the "Application").

4. I believe that Stubbs is well qualified to represent the Debtors. Stubbs has extensive experience representing clients similar to, and in many instances larger and more complex than, the Debtors. In particular, I have been practicing law for over 40 years. My practice and experience includes a broad range of corporate work including complex public and private, domestic and international mergers and acquisitions with emphasis on middle market companies, representation of emerging companies, and corporate finance transactions. I also have extensive experience advising companies on general corporate governance matters, throughout a broad range of industries. All attorneys that will be active in representing the Debtors are admitted to the California state bar.

5. Stubbs has worked with the Debtors on transactional and corporate governance matters since June 2013. Past services have included advice with respect to the Debtors' organizational documents as they relate to the Debtors' pending bankruptcy proceedings; and on various state and federal WARN Act matters in connection with termination of employees. Stubbs has waived a prepetition claim for unpaid invoices in the approximate amount of \$9,300.

6. I believe that the Debtors wish to employ Stubbs as the Debtors' special corporate counsel due to Stubbs' extensive experience in completing tasks similar to those for which it is being employed. Moreover, Stubbs, and myself in particular, has advised the Debtors in general

1 corporate matters since June 2013, and therefore is already familiar with many of the legal issues  
2 that are triggered by the Debtors' business and operations. As a result, Stubbs has significant  
3 familiarity with the issues that are specifically relevant to the Debtors. A summary of the experience  
4 and qualifications of those members of Stubbs expected to render substantial services to the Debtors  
5 is attached hereto as Exhibit "1."

6 7. The Debtors require special corporate counsel to render the following types of  
7 professional services:

8 a. Provide general corporate advice to the Debtors and their boards of  
9 directors, including any special committees formed, related to governance and operations.

10 b. Attending any board of director or special committee meetings, as  
11 requested by the Debtors.

12 c. Analyzing and drafting agreements required in connection with the  
13 sale of the Debtors' assets, including making sure that any subject transactions conform with  
14 applicable nonbankruptcy law.

15 d. Preparing contracts or agreements related to the governance or  
16 operations of the Debtors.

17 8. Stubbs will not be responsible for advising the Debtors in connection with  
18 matters of bankruptcy law, including general representation of the Debtors in these chapter 11 cases,  
19 as the Debtors have already retained reorganization counsel for such purposes, specifically the firm  
20 of Stutman, Treister & Glatt Professional Corporation ("Stutman").

21 9. During the one year period before the Petition Date, Stubbs received no  
22 compensation from the Debtors for prepetition services rendered on the Debtors' behalf. Stubbs is  
23 not asserting any claim against the Debtors for prepetition services.

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

1 (i) the range of the applicable current hourly rates for Stubbs, and (ii) the hourly rates of those  
2 members of Stubbs expected to render substantial services to the Debtors, is attached hereto as  
3 Exhibit "2."

4 11. On July 15, 2013, Stubbs received a \$10,000 postpetition retainer to secure  
5 the payment of a portion of Stubbs' fees and expenses, as allowed by this Court, during these cases  
6 (the "Chapter 11 Retainer"). The Chapter 11 Retainer was funded from the distribution made by  
7 Meserole, LLC under the postpetition financing approved on an interim basis by the Court on July  
8 18, 2013. The Chapter 11 Retainer has been deposited into a non-interest bearing trust account.  
9 Stubbs acknowledges that the Chapter 11 Retainer is subject to Court review under Bankruptcy Code  
10 section 329(b). In addition, to the extent the fees for services and expenses allowed pursuant to  
11 orders of the Court under Bankruptcy Code section 330 do not exceed the amount of the Chapter 11  
12 Retainer, Stubbs will promptly return the difference to the Debtors' estates.

13 12. Upon approval of the Application, Stubbs' fees and costs will be paid, in part,  
14 by having Stubbs draw down on the remaining Chapter 11 Retainer on a monthly basis pursuant to  
15 Section I.B. of the "Guide to Applications for Retainers, and Professional and Insider  
16 Compensation," issued by the Office of the United States Trustee (the "UST"). To implement such  
17 monthly draw down and payment of Stubbs' fees and costs, the Debtors propose the following  
18 procedures:

19 a. Before the Chapter 11 Retainer is drawn down each month, Stubbs  
20 will deliver to the UST monthly invoices, together with documentation supporting the charges (each  
21 a "Professional Fee Statement"), showing the amount of fees Stubbs has incurred for professional  
22 services rendered and the amount of expenses incurred on behalf of the Debtors for which Stubbs  
23 seeks reimbursement, by no later than the 20th day after the end of the month during which the  
24 services were rendered.

25 b. Stubbs will also serve copies of the Professional Fee Statement  
26 (without supporting documentation) on the Debtors, the Debtors' secured creditors or parties  
27 asserting liens against the Debtors' assets, any committee that may be appointed in these cases or the  
28 twenty largest creditors if no committee is appointed, other parties in interest who request special

1 notice in this case, and their counsel (the "Notice Parties"). If no objection to the Professional Fee  
2 Statement is filed and served within ten (10) days after the service of the Professional Fee Statement,  
3 Stubbs will withdraw from its trust account 80% of the amount of fees and 100% of the amount of  
4 costs represented by that monthly invoice and will pay to itself those sums without further notice,  
5 hearing or order of the Court. If a written objection to Stubbs' monthly invoice is filed by a party in  
6 interest, Stubbs will refrain from withdrawing the disputed funds from its trust account until the  
7 objection has been resolved by the Court.

8 c. After the Chapter 11 Retainer is exhausted, Stubbs will receive further  
9 payment from the Debtors for its fees and costs incurred in these chapter 11 cases only upon further  
10 Court order. If appropriate, pursuant to 11 U.S.C. § 331, Stubbs will file an application with the  
11 Court approximately every 120 days seeking interim allowance of its fees and costs incurred to that  
12 date and paid pursuant to these monthly payment procedures.

13 d. I understand that this proposed compensation arrangement is subject to  
14 the provisions of 11 U.S.C. § 330 and final allowance by the Court. If the aggregate amounts drawn  
15 down by Stubbs from the Chapter 11 Retainer exceed the amount that is ultimately allowed to  
16 Stubbs, then Stubbs will be required to and shall promptly repay to the Debtors any such difference.

17 13. In order to check for potential conflicts, Stubbs conducted its standard  
18 conflicts check procedure. Specifically, Stubbs cross-checked the names of its past and present  
19 clients against the names of the Debtors' twenty (20) largest unsecured creditors, all secured  
20 creditors and parties that have asserted liens against the Debtors' assets, and all equity holders  
21 owning more than a 5% interest in the Debtors.

22 14. Except as described in, and subject to, paragraph 15 below, to the best of my  
23 knowledge, based on the conflict searches conducted by Stubbs, I believe that Stubbs and all of the  
24 attorneys comprising or employed by it: (i) do not hold or represent an adverse interest in  
25 connection with the Debtors' chapter 11 cases; (ii) do not hold or represent an interest adverse to the  
26 interests of the Debtors' estates with respect to the matters for which Stubbs is being employed; and  
27 (iii) do not have any other connection with the Debtors, their creditors, any other party in interest,  
28 their respective attorneys or accountants, the UST, nor any person employed by the UST.

1           15. It is, however, possible that Stubbs may have represented in the past, or may  
2 represent in the future, parties that are creditors or other parties in interest in the Debtors' chapter 11  
3 cases in matters entirely unrelated to the Debtors' chapter 11 cases.

4           16. The following supplemental disclosure is made in compliance with Form  
5 2014-1 for the United States Bankruptcy Court for the Central District of California:

6           a. Stubbs is not and was not equity security holder, or an insider of the  
7 Debtors. Stubbs previously held a claim against the Debtors in the approximate amount of \$9,300  
8 for unpaid invoices, but Stubbs has waived this claim.

9           b. Stubbs is not and was not an investment banker for any outstanding  
10 security of the Debtors.

11           c. Stubbs is not and was not, within three years before the Petition Date,  
12 either an investment banker for a security of the Debtors or an attorney for any such investment  
13 banker in connection with the offer, sale, or issuance of any security of the Debtors.

14           d. Stubbs is not and was not, within two years before the Petition Date, a  
15 director, officer, or employee either of the Debtors or of any investment banker for any security of  
16 the Debtors.

17           e. Stubbs is not a relative or an employee of the UST or a Bankruptcy  
18 Judge in the Central District of California.

19           f. Stubbs neither holds nor represents any interest materially adverse to  
20 the interests of the Debtors' estates or of any class of creditors or equity security holders, either by  
21 reason of any direct or indirect relationship to, connection with, or interest in the Debtors or an  
22 investment banker for any security of the Debtors, or for any other reason.

23           17. I am the principal of Stubbs who will bear primary responsibility for advising  
24 the Debtors in connection the scope of Stubbs' representation, and I believe that Stubbs is competent  
25 to represent the interests of the Debtors as special corporate counsel in connection with these chapter  
26 11 cases.

27  
28           I declare under penalty of perjury that the foregoing is true and correct to the best of

1 my knowledge and belief.

2 Executed on this 31<sup>st</sup> day of July, 2013, at Woodland Hills, California.

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**EXHIBIT "1"**



1 **Jonathan R. Hodes**

2 Jonathan R. Hodes is a former partner of the law firm Pillsbury Winthrop Shaw Pittman,  
3 LLP, in Los Angeles, and is a partner of the Firm, and co-chair of the Mergers and Acquisitions  
4 Practice Group.

5 Jonathan concentrates in the area of domestic and international business structures and  
6 operations with an emphasis on corporate law, securities, and general business law, including  
7 international cross-border transactions. He devotes substantial time to buy side and sell side mergers  
8 and acquisitions, management buy-outs, leveraged buy-outs, leveraged recaps; mezzanine and senior  
9 debt financing transactions, work-outs and secured lending transactions.

10 Jonathan's experience includes a broad range of corporate work including complex public  
11 and private, domestic and international mergers and acquisitions with emphasis on middle market  
12 companies, purchases and sales of middle market companies to large companies, representation of  
13 emerging growth companies from inception through various tiers of venture capital financing and  
14 IPO's and corporate finance transactions.

15 Jonathan's practice also includes corporate, partnership and limited liability company  
16 formation and ongoing representation; as well as securities offerings including public, private, Rule  
17 144A, and international Regulation S offerings as well as securities compliance matters. He has a  
18 broad range of industry experience in many industries, including biologics, television production and  
19 distribution, real estate developers, technology companies, hotel owners and operators, video game  
20 publishers, and the manufacturing sector. He has also represented foreign public companies whose  
21 shares trade in the United States, in connection with their U.S. securities law filings and compliance  
22 issues.

23 Jonathan also handles equipment-leasing transactions and large project financing  
24 transactions, and the acquisition, development and financing of large commercial and residential real  
25 property projects. He has represented large public and private companies and domestic real estate  
26 developers in major Southern California projects and joint ventures, including complex real estate  
27 financing transactions.

28 Jonathan received his A.B. from Cornell University at his J.D. from Rutgers University  
School of Law. He is a member of the California Bar.

18 **Joseph V. Stubbs**

19 Joe Stubbs is a former partner in the global law firm of Akin Gump Strauss Hauer & Feld, LLP in  
20 Los Angeles, California, and is a founder and partner of the Firm. He is co-chair person of the Venture  
21 Capital and Emerging Growth Practice Group.

22 Joe practices in the areas of corporate and securities law, emphasizing the corporate representation of  
23 both publicly-held and privately-held growth and middle-market companies, venture capital firms, angel  
24 investment groups and investment banks. He acts as outside general counsel to numerous emerging growth  
25 and technology companies, advising on a wide range of legal and strategic issues at each stage of a company's  
26 evolutionary path. He particularly concentrates on advising such companies in preparing for and successfully  
27 completing their angel and venture capital financing transactions and their initial and follow-on public  
28 offerings. He also serves as outside general counsel to various publicly-held companies, providing advice on  
all aspects of their business activities, including securities law compliance and corporate governance matters.  
His experience includes public and private issuances of securities, mergers and acquisitions, corporate  
partnerships and restructurings, and technology licensing.

Joe has lectured and written extensively on subjects relating to emerging growth companies, venture  
capital transactions, and public and private offerings of securities. He has been a frequent lecturer at programs  
sponsored by, among others, The Los Angeles County Economic Development Corporation, The Software  
Council of Southern California, The Practicing Law Institute, the CalTech Enterprise Forum, the American  
Bar Association, the Los Angeles County Bar Association and The Rutter Group.

1 Joe is the Co-Chairman of the Board of Advisors of the Los Angeles Regional Technology Alliance  
2 (LARTA), and serves on the steering committee of the Southern California Technology Venture Forum and  
on the executive committee of the CalTech Enterprise Forum.

3 He received his B.A. from Southwest Missouri State University in 1972 and his J.D from the  
4 University of Missouri School of Law in 1975. He is a member of the California and Missouri Bars.

**Jason Lee**

5 Jason Lee is an associate of the Firm and was formerly an associate of the global law firm of  
6 Latham & Watkins LLP in Los Angeles. Jason's practice focuses on corporate transactions,  
7 including mergers and acquisitions, private equity transactions, and general corporate matters for  
8 both public and private clients, focusing on middle-market and emerging growth companies. In  
9 addition, Jason counsels companies in connection with company formation process, SEC reporting  
requirements and registrations, federal and state securities laws and compliance, corporate  
governance matters, joint ventures, employee incentive plans and executive employment  
agreements.

10 Jason received a B.S. degree from Rutgers University in 2002 and his J.D. from the  
11 University of Southern California, Gould School of Law in 2009. He is admitted to practice law in  
the State of California.

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**EXHIBIT "2"**

Stubbs, Alderton & Markiles, LLP attorneys bill at rates of approximately \$250 to \$675 per hour, depending upon market factors, including, without limitation, the seniority and title of the particular attorney. The attorneys expected to render substantial services to the Debtors currently bill at the following rates: (a) Jonathan Hodes, \$625; (b) Joseph Stubbs, \$625; and (c) Jason Lee, \$435.

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 1901 Avenue of the Stars, 12<sup>th</sup> Floor, Los Angeles, California 90067. A true and correct copy of the foregoing document entitled (*specify*): **APPLICATION FOR ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF STUBBS, ALDERTON & MARKILES, LLP AS SPECIAL CORPORATE COUNSEL** 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 31, 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 31, 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.

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

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.

July 31, 2013  
*Date*

Therese A. Barron  
*Printed Name*

/s/ Therese A. Barron  
*Signature*

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

Brian L Davidoff on behalf of Creditor Quercus Trust  
bdavidoff@greenbergglusker.com,  
jreinglass@greenbergglusker.com;kwoodson@greenbergglusker.com;calendar@greenbergglusker.com;sgaeta@greenbergglusker.com

Patrick B Howell on behalf of Creditor Sensient Imaging Technologies S.A., Sensient Technologies Corporation  
phowell@whdlaw.com, dprim@whdlaw.com;tmichalak@whdlaw.com

Ron Maroko on behalf of U.S. Trustee United States Trustee (LA)  
ron.maroko@usdoj.gov

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

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

Jeffrey M. Reisner on behalf of Interested Party Courtesy NEF  
jreisner@irell.com

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