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1000 Pleasant Valley Road
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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re:) Case No. 13-bk-27689-WB
)
15 COLOREP, INC.,) Chapter 11
16 a California corporation,)
) (Motion for Joint Administration With
17 Debtor.) Case No. 13-bk-27698-WB Pending)
18)

19 Tax I.D. No. 94-3055023

**EMERGENCY MOTION FOR ORDER
LIMITING NOTICE AND PERMITTING
SERVICE ON ALL PARTIES BY FIRST-
CLASS MAIL; MEMORANDUM OF
POINTS AND AUTHORITIES IN SUPPORT
THEREOF**

Hearing Date

20 In re:)
21)
22 TRANSPRINT USA, INC.,)
a Virginia corporation,)
)
23 Debtor.) Date: July 15, 2013
) Time: 2:00 p.m.
24) Location: Courtroom 1375
) 255 East Temple Street
25 Tax I.D. No. 94-3055026) Los Angeles, CA 90012
26)
27)
28)

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1 **TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE, THE OFFICE OF THE**
2 **UNITED STATES TRUSTEE, THE DEBTORS' TWENTY LARGEST UNSECURED**
3 **CREDITORS, THE DEBTORS' SECURED LENDER, OTHER CREDITORS ASSERTING**
4 **A SECURITY INTEREST IN OR LIEN UPON THE DEBTORS' ASSETS, AND OTHER**
5 **PARTIES IN INTEREST:**

6 Colorep, Inc. ("**Colorep**") and Transprint USA, Inc. ("**Transprint**"), the debtors and
7 debtors in possession in the above-captioned cases (together, the "**Debtors**") hereby move (the
8 "**Motion**") the Court, for entry of an order, in substantially the form attached hereto as Exhibit "1"
9 (the "**Order**"), establishing certain notice procedures for the Debtors' cases .

10 The Debtors request, pursuant to Local Bankruptcy Rule ("**LBR**") 2081-1(a) and
11 9075-1(a), that the Court schedule a hearing on this Motion on less than 2 court days notice, upon
12 timely notice to the Office of the United States Trustee ("**UST**"), the Debtors' twenty largest
13 unsecured creditors, the Debtors' secured lender, other creditors asserting a security interest in or lien
14 upon the Debtors' assets, and other interested parties, if any (collectively, the "**Interested Parties**").
15 A copy of this Motion was served, concurrent with the filing hereof with the Court, on the Interested
16 Parties by courier or overnight delivery.

17 **SUMMARY OF RELIEF REQUESTED**

18 The Debtors potentially have hundreds of creditors. In order to streamline the
19 bankruptcy process and reduce the costs of providing notice of pending matters as they arise in these
20 chapter 11 cases to the appropriate parties, the Debtors are seeking entry of an order establishing
21 certain notice procedures, which will:

- 22 a. limit the parties upon whom notice must be served; and
- 23 b. designate the manner of service with respect to all matters for which title 11 of
24 the United States Code ("**Bankruptcy Code**") and the Federal Rules of Bankruptcy Procedure
25 ("**Bankruptcy Rules**") authorize the Court to designate or limit the parties entitled to notice and the
26 manner of service, including matters subject to Bankruptcy Rules 2002, 4001, 6004, 6006, 6007, or
27 7004.

28 The Debtors anticipate that these chapter 11 bankruptcy cases will be very active,
with numerous motions and other pleadings filed during the early stages. In order to streamline the
process, the Debtors believe that an order limiting notice and designating the manner of service at

1 the beginning of the cases is necessary.

2 The Motion is based on the annexed memorandum of points and authorities, the
3 "Declaration of Mark A. Fox in Support of Emergency First Day Motions" (the "**Fox Declaration**"),
4 the record in these cases, and the arguments, evidence, and representations that may be presented at
5 or prior to the hearing on this Motion.

6 **Pursuant to LBR 9075-1(a)(7), any opposition or objection to the Motion may be**
7 **presented before or at the time of the hearing on the Motion, if one is scheduled by the Court.**

8 **WHEREFORE**, the Debtors respectfully request that the Court enter an order,
9 substantially in the form of the proposed Order attached hereto as Exhibit "1": (i) limiting the
10 parties upon whom notice must be served; (ii) designating the manner of service with respect to all
11 matters for which the Bankruptcy Code and the Bankruptcy Rules authorize the Debtors to so
12 designate or limit; and (iii) granting any and all further relief the Court deems to be just and proper.

13
14
15 Dated: July 11, 2013

/s/ Margreta M. Morgulas
GARY E. KLAUSNER, and
MARGRETA M. MORGULAS, Members of
STUTMAN, TREISTER & GLATT
PROFESSIONAL CORPORATION
[Proposed] Reorganization Counsel for Debtors and
Debtors in Possession

MEMORANDUM OF POINTS AND AUTHORITIES

I.

STATEMENT OF FACTS

A. Petition Date and Jurisdiction.

On July 10, 2013 (the "**Petition Date**"), the debtors and debtors in possession in the above-captioned chapter 11 cases (the "**Debtors**") commenced these cases by filing voluntary petitions under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). Pursuant to Bankruptcy Code sections 1107(a) and 1108, the Debtors are continuing to operate their business and manage their financial affairs as debtors in possession.

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

B. Proposed Notice Procedures.

Bankruptcy Rule 2002(a) provides that unless otherwise ordered under Bankruptcy Rule 2002(h), (i), (l), (p), and (q), notice of specified matters must be served on all creditors. See Fed. R. Bankr. P. 2002(a). Other provisions of the Bankruptcy Code and the Bankruptcy Rules require that notice of specified matters be given to certain designated entities who are entitled to notice of particular matters, and to such other entities as the Court may direct.

Given that the Debtors potentially have hundreds of creditors, mailing of notices of all matters to all creditors in these cases would be impracticable and would impose a heavy administrative and economic burden upon the Debtors' estates, as well as parties in interest. Accordingly, as permitted by Bankruptcy Rules 2002 (i) and (m), the Debtors propose that the Court enter an order, effective as of the Petition Date:

- a. limiting the parties upon whom notice must be served; and
- b. designating the manner of service with respect to all matters for which the Bankruptcy Code and the Bankruptcy Rules authorize the Court to designate or limit the parties entitled to notice and the manner of service, including matters subject to Bankruptcy Rules 2002(i), 4001, 6004, 6006, or 6007.

1 Specifically, the Debtors propose that, with respect to all matters or proceedings other
2 than the matters or proceedings referred to in Bankruptcy Rule 2002(a)(1), (4), (5), and (7) and (b),
3 (d), and (f), the Court order that notice need be served via first class mail only upon the following
4 parties¹:

5 a. The United States Trustee at the following address:

6 Office of The United States Trustee
7 725 S. Figueroa Street
8 Suite 2600
9 Los Angeles, CA 90017

10 b. Counsel for any committee appointed under section 1102 of the Bankruptcy
11 Code, or before the appointment of any such committee (and continuing throughout the case if no
12 such committee is appointed), to the creditors included on Debtors' consolidated list of 20 largest
13 unsecured creditors;

14 c. The Debtors and the Debtors' reorganization counsel at the following
15 addresses:

16 Colorep, Inc. and Transprint USA, Inc.
17 1000 Pleasant Valley Road
18 Harrisonburg, VA 22801-9790

19 and

20 Gary E. Klausner, Esq.
21 Margreta M. Morgulas, Esq.
22 Kizzy L. Jarashow, Esq.
23 Stutman, Treister & Glatt, P.C.
24 1901 Avenue of the Stars, 12th Floor
25 Los Angeles, CA 90067

26 d. The Internal Revenue Service at the following addresses:

27 Internal Revenue Service
28 P.O. Box 21126
Philadelphia, PA 19114

¹ In addition, pursuant to the recently revised LBR 5005-2(d), a copy of all pleadings will be served on the bankruptcy judge presiding over the cases.

1 e. Meserole, LLC ("**Meserole**"), the Debtors' primary lender and secured
2 creditor, and Meserole's counsel, at the following addresses:

3 Meserole, LLC
4 Attn: Ari Hirt
5 152 West 57th Street
6 4th Floor
7 New York, NY 10019

and

8 Frank Pepler, Esq.
9 Bertrand Pan, Esq.
10 DLA PIPER LLP (US)
11 550 South Hope Street
12 Suite 2300
13 Los Angeles, CA 90071-2678

14 Stuart M. Brown, Esq.
15 DLA PIPER LLP (US)
16 919 N. Market Street
17 Suite 1500
18 Wilmington, DE 19801-3046

19 f. The holders of claims or interests who both file with the Court and serve on
20 reorganization counsel for the Debtors, at the above address, a request for special notice; and

21 g. Any party against whom direct relief is sought by motion, application or
22 otherwise, such as the non-debtor party to an executory contract or unexpired lease being assumed or
23 rejected, and any party asserting interest in property being sold.

24 Any of the parties listed above may request that notices be sent to a different address
25 by both filing with the Court and serving on the Debtors' reorganization counsel, at the above
26 address, a request for change of address. Similarly, counsel for any of the parties listed above, if
27 other counsel is substituted in their place, may report this substitution and request that notices be
28 sent to the new counsel by both filing with the Court and serving on the Debtors' reorganization
counsel, at the above address, a request for change of address.

Any party filing or causing the filing of a motion, complaint, response, objection,
notice, application, request, or other paper in this bankruptcy case, shall be deemed to have

1 consented to receive effective notice at the address appearing on such paper, and notice sent to that
2 address shall be deemed to have been brought to the attention of such party.

3 Unless otherwise required by Bankruptcy Rule 7004(h) or order of the Court, all
4 notices in these cases shall be provided by first-class mail.

5 Unless otherwise ordered by the Court, the limitation on notice proposed by this
6 Motion shall not apply to those matters or proceedings referred to in Bankruptcy Rule 2002(a)(1),
7 (4), (5) and (7), and (b), (d), and (f). Such matters or proceedings shall be noticed in accordance
8 with the Bankruptcy Rules.

9 **II.**

10 **AUTHORITY**

11 **A. The Bankruptcy Rules Confer Authority Upon The Court**
12 **To Regulate Notice Requirements.**

13 Bankruptcy Code section 102(1)(A) defines the phrase "after notice and a hearing" to
14 mean:

15 [A]fter such notice as is appropriate in the particular circumstances,
16 and such opportunity for a hearing as is appropriate in the particular
circumstances

17 11 U.S.C. § 102(1)(A).

18 The Bankruptcy Rules confer authority upon the Court to regulate notice
19 requirements. Bankruptcy Rule 2002(m), which gives the Court discretion to enter orders regulating
20 notice, provides:

21 The court may from time to time enter orders designating the matters
22 in respect to which, the entity to whom, and the form and manner in
23 which notices shall be sent except as otherwise provided by these
rules.

24 Fed. R. Bankr. P. 2002(m).

25 The notice procedures outlined in this Motion comport with Bankruptcy Rule 2002(i),
26 which provides in relevant part:

1 Copies of all notices required to be mailed pursuant to this rule shall
2 be mailed to the committees... appointed under § 1102 of the Code or
3 to their authorized agents. Notwithstanding the foregoing
4 subdivisions, the court may order that notices required by subdivision
5 (a)(2), (3) and (6) of this rule be transmitted to the United States
6 trustee and be mailed only to the committees... appointed under
7 § 1102 of the Code or to their authorized agents and to the creditors
8 and equity security holders who serve on the trustee or debtor in
9 possession and file a request that all notices be mailed to them.

6 Fed. R. Bankr. P. 2002(i).

7 Furthermore, Bankruptcy Rule 9007 grants the Court general authority to regulate
8 notices:

9 When notice is to be given under these rules, the court shall designate,
10 if not otherwise specified herein, the time within which, the entities to
11 whom, and the form and manner in which the notice shall be given.

12 Fed. R. Bankr. P. 9007; see Southern Ry. Co. v. Johnson Bronze Co., 758 F.2d 137, 140-141 (3d Cir.
13 1985) (approving the bankruptcy court's order under Bankruptcy Rule 2002(i) limiting notice of a
14 sale motion).

15 Finally, Bankruptcy Rule 7004(h) requires that service on an insured depository
16 institution in a contested matter or adversary proceeding shall be by certified mail addressed to an
17 officer of the institution unless, among other things:

- 18 (2) the court orders otherwise after service upon the institution by
19 certified mail of notice of an application to permit service on
20 the institution by first-class mail sent to an officer of the
21 institution designated by the institution; or
22 (3) the institution has waived in writing its entitlement to service
23 by certified mail by designating an officer to receive service.

22 Fed. R. Bankr. P. 7004(h).

23 The use of the notice procedures proposed by the Debtors is especially appropriate in
24 cases with such a significant number of creditors and interest holders, where providing notice of
25 every matter to hundreds of creditors and stockholders would be unjustifiably burdensome and
26 extremely costly.

1 **B. Approval Of This Motion Will Mitigate The Administrative Burden That**
2 **Would Otherwise Be Imposed On The Debtors' Estates, Without**
3 **Diminishing Creditor Participation In The Case.**

4 As permitted by Bankruptcy Rules 2002(i), 2002(m), and 7004(h)(2) and (3), the
5 Debtors have proposed to limit notice, designate the parties upon whom notice must be served, and
6 establish the manner of service with respect to all matters for which the Bankruptcy Code and the
7 Bankruptcy Rules authorize the Court to designate or limit the parties entitled to notice and the
8 manner of service, including matters subject to Bankruptcy Rules 2002(i), 4001, 6004, 6006, or
9 6007.

10 The Debtors believe that it is necessary and appropriate to adopt the proposed
11 procedures for several reasons. First, providing notice of all matters to hundreds of potential
12 creditors, would: (a) delay substantially the provision of notice in each particular instance; (b) place
13 a heavy administrative burden on the Debtors' estates; and (c) impede the timely consummation of
14 transactions, the negotiation of settlements, or the granting of other relief that may be advantageous
15 to the Debtors' estates and their creditors. Furthermore, providing notice of all matters to all
16 creditors or potential creditors would unnecessarily increase the costs of these cases.

17 **III.**

18 **CONCLUSION**

19 For these reasons, based on the arguments and authorities set forth above, the Debtors
20 respectfully request that the Court enter an order, substantially in the form of the proposed Order
21 attached as Exhibit "1": (i) limiting the parties upon whom notice must be served; (ii) designating the
22 manner of service with respect to all matters for which the Bankruptcy Code and the Bankruptcy
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Rules authorize the Debtors to so designate or limit; and (iii) granting such other and further relief as the Court deems to be just and proper.

Dated: July 11, 2013

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

Exhibit "1"

1 GARY E. KLAUSNER (STATE BAR NO. 69077)
2 MARGRETA M. MORGULAS (STATE BAR NO. 224950), and
3 KIZZY L. JARASHOW (*Pro Hac Vice Application Pending*), 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,)
26)
27 Debtor.) Case No. 13-bk-27698-WB
28) Chapter 11

29 Tax I.D. No. 94-3055023) **ORDER LIMITING NOTICE AND**
30) **PERMITTING SERVICE ON ALL**
31) **PARTIES BY FIRST CLASS MAIL**

32 In re:)
33) **Hearing Date**
34 TRANSPRINT USA, INC.,)
35 a Virginia corporation,)
36)
37 Debtor.) Date: July 15, 2013
38) Time: 2:00 p.m.
39) Location: Courtroom 1375
40 Tax I.D. No. 94-3055026) 255 East Temple Street
41) Los Angeles, CA 90012
42)
43)
44)
45)

1 Upon review and consideration of the "Emergency Motion for Order Limiting Notice
2 and Permitting Service on All Parties by First Class Mail" (the "**Motion**")¹, filed by Colorep, Inc.
3 ("**Colorep**") and Transprint USA, Inc. ("**Transprint**"), the debtors-in-possession in the above-
4 captioned cases (together, the "**Debtors**"), as well as the "Declaration of Mark A. Fox In Support Of
5 First Day Motions" (the "**Fox Declaration**"), all other pleadings and evidence submitted in
6 connection with the Motion, and the arguments of counsel, the Court hereby finds that:

7 1. Notice was appropriate under the circumstances; and
8 2. Good cause exists to grant the relief requested in the Motion and establish
9 certain notice procedures outlined in the Motion for the Debtors' cases.

10 **THEREFORE, IT IS ORDERED THAT:**

11 1. The Motion is granted in its entirety.
12 2. The Debtors are authorized to limit the parties upon whom notice must be
13 served, as described in the Motion.
14 3. The Debtors are authorized to designate first class mail as the manner of
15 service with respect to all matters for which the Bankruptcy Code and the Federal Rules of
16 Bankruptcy Procedure authorize the Debtors to so designate or limit.

17 ###

18 Presented by:

19 /s/ Margreta M. Morgulas
20 Gary E. Klausner,
21 Margreta M. Morgulas, and
22 Kizzy L. Jarashow, Members of
23 STUTMAN, TREISTER & GLATT, P.C.
24 [Proposed] Reorganization Counsel
25 for Debtors and Debtors in Possession
26

27 ¹ All capitalized terms not explicitly defined herein shall have the same definition ascribed to them as in the Motion.
28