

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE
HMP Services Holding Sub III, LLC, et al. Claims Processing Center
c/o Epiq Bankruptcy Solutions, LLC
FDR Station, P.O. Box 5082
New York, NY 10150-5082

Name of Debtor Against Which Claim is Held
HMP Services Holding, Inc. d/b/a
Harold M. Pitman Company

Case No. of Debtor
10-13618(BLS)

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name and address of Creditor: (and name and address where notices should be sent if different from Creditor)

Schmidt, Paul F., Jr.
8808 Royal Swan Lane
Darien, IL 60561

Telephone number: (630) 800-9167 Email Address: pschmidtjr@gmail.com

Name and address where payment should be sent (if different from above)

Telephone number: Email Address:

1. Amount of Claim as of Date Case Filed: \$ 2,157,535.63
If all or part of your claim is secured, complete Item 4 below; however, if all of your claim is unsecured, do not complete item 4.
If all or part of your claim is entitled to priority, complete Item 5.
If all or part of your claim qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9), complete Item 6.
☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of interest or additional charges.

2. Basis for Claim: Settlement Agreement. See Appendix A.
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: 0980
3a. Debtor may have scheduled account as: N/A
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☐ Other

Describe:

Value of Property: \$ Annual Interest Rate %
Amount of arrearage and other charges as of time case filed included in secured claim, if any:

\$ Basis for perfection:

Amount of Secured Claim: \$ Amount Unsecured: \$

6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9): \$
(See instruction #6 on reverse side.)

7. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

8. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 8 and definition of "redacted" on reverse side.)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

See Appendix A for Explanation, Appendices 1-5

If the documents are not available, please explain:

for documents.

Date:

10/17/11

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Paul F. Schmidt Jr.

PROOF OF CLAIM

Filed: USBC - District of Delaware
HMP Services Holding, Et Al.
10-13618 (BLS)

0000000176



THIS SPACE IS FOR COURT USE ONLY

☒ Check this box to indicate that this claim amends a previously filed claim. Sheet No. 162

Schedule F -
Court Claim

Number: (If known)

Filed on:
By Brown & Rudnick for
Chief Restructuring Officer

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box if you are the debtor or trustee in this case.

5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim:

- ☐ Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).
☐ Wages, salaries or commissions (up to \$11,725), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).
☒ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).
☐ Up to \$2,600 of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7).
☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a)().

Amount entitled to priority:

\$

FOR COURT USE ONLY

FILED / RECEIVED

OCT 21 2011

EPIQ BANKRUPTCY SOLUTIONS, LLC

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

HAROLD M. PITMAN COMPANY
721 Union Boulevard
Totowa, New Jersey 07512

October 1, 2008

Paul F. Schmidt, Jr.
c/o Pitman Company
221 Covington Drive
Bloomington, IL 60108

EMPLOYMENT AND NONCOMPETITION AGREEMENT

Dear Mr. Schmidt:

This will serve as an employment agreement (contract) between us. The term of this agreement shall be for four (4) years from October 1, 2008 through March 31, 2013. During the term of this Agreement, the Company agrees to retain you and you agree to perform the duties as outlined herein. By entering into this Agreement, the Company is giving up its right to terminate your employment "at will" during the contract term. The Company retains the right to discharge you "for cause" which generally means to discharge you for failure to carry out your duties or for a material breach of your obligations hereunder.

Duties

We agree to employ you and you agree to serve as an executive of the Company and Chairman of the Board of Directors based in the Chicago, Illinois area for the term of this Agreement. Your duties shall include those tasks normally associated with a senior management position as necessary for the long term financial and corporate administrative affairs of the Company.

You agree to serve the Company faithfully and to the best of your ability under the direction of the Board of Directors. You shall devote all of your time, energy and skill to such employment. You agree to perform such corporate planning, financial and administration related services as the Board shall direct. You agree not to accept other employment during your employ nor to accept civic, social, religious, or other responsibilities that would interfere with your ability to devote your full time efforts to your responsibilities hereunder.

Compensation and Reimbursement

Your base compensation (salary) shall initially be \$470,000 per year payable bi-weekly. Your salary shall not be decreased during the term of this contract but may be increased from time to time by action of the Board of Directors.

The Company will reimburse you for all reasonable and necessary expenses incurred in carrying out your duties under this Agreement. You shall present to the Company from time to time an itemized account of such expenses in such form as may be required by the Company. The Company will provide you with medical and hospitalization insurance coverage. You will be entitled to the use of a car comparable to that now provided at the Company's expense for Company business.

Bonus

It has been Pitman's policy to reward each member of its senior management team each year with an individualized management bonus of up to 50% of the executive's base pay. For as long as this program is continued, you will be eligible to receive such a bonus. Whether and how much of a bonus is awarded to you in any given year depends on the Company's performance and is left to the discretion of the Board.

Vacation

You will be entitled to four week's paid vacation during the current fiscal year and each year thereafter.

Retirement Benefits

General Benefits. Executive shall receive all benefits (such as Employee Stock Ownership and 401K Plan, Voluntary Retirement and Executive Deferred Compensation Plan, life insurance, medical insurance, disability insurance or other plans, benefits or privileges) generally available to employees of Employer and the specific intention of both Executive and Employer is that this Agreement shall not limit or reduce the availability of such benefits.

Split Dollar Life Insurance Policy

For the term of this contract, Pitman agrees to pay all premiums as they accrue on a certain life insurance policy issued by a Pacific Life Insurance Company in the Spring of 2001 insuring your life and covered by a certain split dollar agreement entered into by the Company and you as a member of Pitman's Board of Directors.

Discharge for Cause

Your employment with the Company may be terminated if the Company elects to discharge you for cause. "Cause" shall mean any of the following: (i) a pattern of gross negligence or an act of willful misconduct or disloyalty by you in the performance of your duties, which conduct has a material adverse effect on the Company's reputation, business properties or business relationships; (ii) any conviction of a felony or misappropriation of Company's funds or an act of moral turpitude by you.

Change of Control Protection

If the Company undergoes a change of control as defined below and your employment is terminated for Good Reason as defined below, you shall receive a "Special Payment" equal to the amount of your full Base Compensation that would accrue over the remaining term of your contract. You would also be entitled to receive all medical benefits, life insurance premiums, etc. as provided in this contract.

"Good Reason" shall mean, the occurrence, without your express written consent of any of the following circumstances following a Change of Control (generically described and which shall be deemed to include all reasonably similar conditions/causes):

(i) Any involuntary termination other than a termination for Cause as defined herein following a Change of Control as defined below.

(ii) Any demotion such that you are no longer at an executive level or such that you would be required to relocate your residence from the area of Chicago, Illinois or would be required to spend more than ninety (90) nights per year away from home on company business or such that you would be demoted or suffer a reduction in total compensation or fringe benefits as per this Agreement and/or reduction in your authority and/or management discretion and/or stature in the corporation's management. This provision shall not be violated by a mere loss of title or authority since you understand that an acquiring company will probably restructure the former company and its management extensively.

(iii) The relocation of your office to a location more than fifty (50) miles from Bloomingdale, Illinois or the Company requiring you to be based anywhere other than the Chicago, Illinois area, except for required travel on Company business to an extent substantially consistent with your present business travel obligations;

(iv) Without limiting the generality of (i), included terminations would be any discharge or forced leave or forced early retirement due to alleged insubordination, difference of philosophy, or conflict of personalities. Not included shall be discharges, forced leave or forced early retirement due to "Cause" as defined herein.

For purposes of this Agreement, "Change of Control" shall mean: the purchase or other acquisition by any person, entity or group of persons of beneficial ownership of 30 percent or more of either the outstanding shares of common stock or the combined voting power of the Company's then outstanding voting securities or the implementation of a reorganization, merger, or consolidation with respect to which persons who were stockholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than 50 percent of the combined voting power of the reorganized, merged or consolidated Company's then outstanding securities, or a liquidation or dissolution of the Company or of the sale of all or substantially all of the Company's assets.

In computing changes of ownership to determine any alleged Change of Control, the following shall not be included:

- (a) Any changes of ownership and/or management incidental to retirement of present officers;
- (b) Conveyance by gift or inheritance of stock from individuals and trusts affiliated with the Schmidt family to other individuals or trusts affiliated with the Schmidt family;
- (c) Any change in control resulting from any public offering of Company stock provided it is not primarily acquired by less than five (5) purchasers all or some of whom become actively involved in the Company's management through representation on the Board of Directors.

Confidential Information

You will be exposed to and gain knowledge of various sales, distribution, marketing, vendor and customer information, trade secrets, procedures, methodologies, work in progress and planned work, experiments, experimental results, techniques, technical data, etc. All of this information is highly confidential and must be maintained in the strictest confidence.

You agree that as a result of your association with Pitman you have been in frequent contact with suppliers and customers and potential suppliers and customers of the Company.

You recognize that the business of the Company is materially dependent upon its confidential information and the relationship between the Company and its suppliers and customers who are serviced by its employees and that the Company has and will entrust you with confidential information that must remain the property of Company. "Confidential information" means the information described above and trade secrets, technical and non-technical know-how, technical and business knowledge and information, systems, business methods, customer lists, vendor and customer relations of

the Company including but not limited to scientific data, discoveries, procedures, purchasing, accounting, data processing, marketing, merchandising, selling and invoicing, customer requirements, pricing information, etc., which information is acquired from or through the Company in the course of your employment by the Company. You agree that you will not hereafter disclose confidential information to third parties or use confidential information for any purpose other than to further the Company's business.

Noncompetition and Nondisclosure After Termination

You agree that following termination, with or without cause:

(i) That at no time will confidential information be utilized by you in or disclosed by you to anyone engaged in or about to become engaged in the development, production, marketing or selling of a product or process which resembles or compares to competes with a product or process produced, marketed or sold (or planned to be produced, marketed or sold) by the Pitman Company during the term of your employment by Pitman.

(ii) That you shall at the end of your employment return to the Company all records of confidential information, all data and documents furnished to you incidental to your employment, including copies in your possession, and all other physical and/or electronic items issued to you as an employee, in a reasonable state of function or repair.

(iii) That in connection with the sale, merchandising or promotion of products or processes, similar or comparable to Pitman products, to any customer of Pitman upon whom you called, whose account you supervised on behalf of Pitman or with respect to which you acquired special knowledge at any time during the last four years of your employment, you shall not render services, directly or indirectly, to a competitor for a period of two years after the termination of your employment.

(iv) It is agreed that while employed by Pitman and for a period of two (2) years following the termination of such employment, you shall not, directly or indirectly participate as owner, stockholder, manager, consultant, director, officer or employee in any business, firm or corporation which is in direct or indirect competition in any respect with the Company in the fields of graphic arts distribution in the states of Illinois and all states to the west of Illinois in which Pitman has been active. This paragraph shall not prohibit you from purchasing, owning and/or trading in the stock or other securities of any public Company the stock of which is regularly traded on one or more stock exchanges.

Non-Solicitation

You agree that during your employment and thereafter during the Non-Compete Period, you will not, directly or indirectly, at any time solicit or induce or attempt to

solicit or induce any employee(s) or any sales representative(s), or consultant(s) of Pitman to terminate his, her or their employment, representation or other association with Pitman.

Non-Waiver

The failure by Pitman to enforce any of the provisions hereof upon any default by you at a particular time or under certain circumstances shall not be treated as a permanent waiver of such provisions and shall not prevent subsequent enforcement of such provisions upon default.

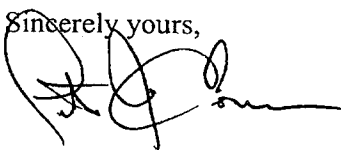
Injunction

It is hereby acknowledged that money damages alone will not be adequate to compensate Pitman for any breach of these covenants and it is therefore agreed that in addition to any and all other remedies available to Pitman in law or equity, Pitman shall be entitled to injunctive relief compelling specific performance of the terms of these paragraphs.

If the foregoing is acceptable to you, please sign this letter in the space provided on this page and return one of the copies to me retaining the other copy for your records.

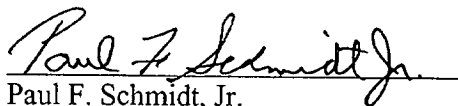
We look forward to a continued, mutually satisfying relationship.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Peter Moore", written over a horizontal line.

Peter Moore

Accepted: October 6, 2008

A handwritten signature in black ink, appearing to read "Paul F. Schmidt, Jr.", written over a horizontal line.

Paul F. Schmidt, Jr.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

)	
)	Chapter 11
)	
HMP SERVICES HOLDING SUB III)	Case No. 10-13618 (BLS)
LLC, et. al.)	
)	
Debtors)	Jointly Administered
)	

AFFIDAVIT OF PAUL F. SCHMIDT, JR.

Paul F. Schmidt, Jr., being first duly sworn, deposes and says:

1. I was the Chief Executive Officer of Harold M. Pitman Company (the "Company") until the above captioned bankruptcy was filed.

2. All the records of Harold M. Pitman Company were turned over and made subject to the total control of Argus Management Corporation with John Haggerty acting as the Chief Restructuring Officer for the Company in 2009.

3. When the above captioned bankruptcy was filed, it was my understanding all the records of the Company were turned over to sole possession and control of the Litigation Trustee for HMP Services Holding, Inc.

4. I have very few of the documents except principally those attached to this Affidavit and the other facts related in this Affidavit are based upon my memory of events that occurred.

5. Effective October 8, 2008, my employment contract with the Company was renewed using a contract prepared by Joseph Donegan, the corporate counsel for the Company, and that employment contract according me the rights enumerated therein is attached to this Affidavit as Appendix 1.

6. At some point on or after March 31, 2009, the fiscal year for the Company, I voluntarily reduced my salary from \$470,000 per year paid bi-weekly in half to \$235,000 so other Company managers could be made whole but otherwise did not waive my rights under the Employment and Noncompetition Agreement.

7. On July 9, 2010, in order to secure the sale of the business of the Company in exchange for the consideration of releases in my favor, I settled my Employment and Noncompetition Agreement with the Company, Appendix 1, by eliminating my salary and by liquidating all of certain assets on account of the my employee claims and for the release by the Company of any and all claims against me; which "Employee Settlement Agreement" is attached as Appendix 2 and adopted herein.

8. After the sale of the business of the Company, I served as the Chief Executive Officer and Director without compensation except for \$3,000 I received before the principal secured creditor and the purchaser of the business insisted I receive nothing.

9. When the Company filed the above captioned proceeding I questioned whether my rights under the Employment Settlement Agreement had been filed as a claim and I was advised the claim was filed by an e-mail shown as Appendix 3; which Appendix 3 and other appendices attached hereto are all the records I possess on this subject as all records have been turned over to the possession of the Litigation Trustee for HMP Service Holdings, Inc.

10. I accepted the filing of the claim by the Company, controlled by the Chief Restructuring Officer, through Argus Management Corporation and counsel retained by the Chief Restructuring Officer, Brown and Rudnick, in the form filed and shown in Appendix 3 because the claim was a) without right of setoff, b) was not contingent, c) was liquidated and d) was not disputed even though I did not 1) receive \$24,552.16 due me under Paragraph 2 of the Employee

Settlement Agreement; 2) did not receive \$118,473 of the \$953,634.51 of my Employment Contract Claim accrued as a part of the settlement of my Aggregate Employee Claim under Paragraph 4 of the Employment Settlement Agreement; and, 3) I accepted that I have released at least \$1,186,750 due me for salary and other significant amounts which I choose not to enumerate herein but that include other bona fide amounts that were due to me.

11. In addition, I had a vested amount of \$1,203,901.12 of funds due me in the "Supplemental Executive Retirement Plan" that had accrued as a result of my 38 years of employment with the Company as confirmed by the Chief Restructuring Officer through Argus Management Corporation as shown in Appendix 4; which amount when added to \$953,634.51 totals \$2,157,535.63.

12. I agreed to the "Employee Settlement Agreement" expressly to disallow any, 1) right of setoff by the Company against me, 2) contention my claim is contingent, 3) disallow any contention my claim is unliquidated, and, 4) disallow any dispute on the amounts.

13. My claim represents a final liquidated amount negotiated at arms length with corporate counsel, Brown and Rudnik, retained by the Chief Restructuring Officer that I only agreed to in order to render the amounts due to me final, certain and without dispute along with my vested, liquidated and noncontingent Supplemental Executive Retirement Plan.

14. I strongly contest the amendment to the Amended Schedule F filed by the Trustee of the Litigation Trust as being baseless and without merit.

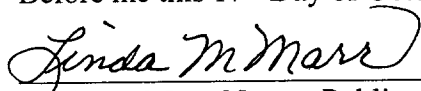
15. I request that the Claim attached as Appendix 5 be accepted as "Amended Schedule F – Creditors Holding Unsecured Nonpriority Claims" as the only form of claim possible when all facts, including facts held in documents solely in the possession of the Litigation Trustee for HMP Services Holding, Inc. are considered.

16. I request that the Litigation Trustee for HMP Services Holding, Inc. duly exercise his fiduciary responsibility and review documents in his possession, corroborate the documents attached as Appendices to my Affidavit and allow me my vested and compromised liquidated amounts set forth in Appendix F.

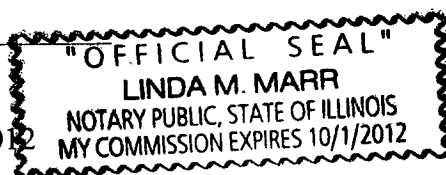
Further Affiant Sayeth Not.


Paul F. Schmidt, Jr.

Sworn and Subscribed to
Before me this 17th Day of October, 2011


Linda M. Marr, Notary Public

My Commission expires 10/1/2012



EMPLOYEE SETTLEMENT AGREEMENT

THIS EMPLOYEE SETTLEMENT AGREEMENT (this "Agreement") is made as of the ___ day of July 2010, by and between HAROLD M. PITMAN COMPANY, an Illinois corporation (the "Company"), and Paul F. Schmidt, Jr. (the "Employee").

RECITALS

WHEREAS, the Company has engaged in discussions with an entity (the "Purchaser") regarding the Purchaser's desire to acquire from the Company, and the Company's desire to sell to the Purchaser, all or substantially all of the assets owned by the Company and used in the conduct of the Company's business on such terms and conditions to be negotiated between the Company and the Purchaser (the "Sale Transaction");

WHEREAS, the Company and the Employee are party to that certain Employment and Noncompetition Agreement dated as of October 1, 2008 (the "Employment Agreement");

WHEREAS, upon consummation of the Sale Transaction, the Employee's employment with the Company will be terminated (the "Termination");

WHEREAS, in connection with the Termination and subject to the terms of this Agreement, the Employee will have an outstanding claim against the Company in the aggregate amount of \$953,634.51 (the "Aggregate Employee Claim");

WHEREAS, the Company anticipates that the gross proceeds from the Sale Transaction (the "Sale Proceeds") will be insufficient to satisfy in full all of the Company's obligations to its creditors, including, but not limited to, the Employee Claim;

WHEREAS, the parties have engaged in arm's length, good faith discussions regarding the satisfaction of the Employee Claim and the Employee's support of the Sale Transaction; and

WHEREAS, in consideration for the agreement for the Employee to receive proceeds from the liquidation of certain assets on account of the Employee Claim and the Company's release of any and all claims against the Employee, except as provided in this Agreement, the Employee has agreed to release the Company from any and all claims, other than as expressly provided herein, he may have against the Company.

NOW, THEREFORE, in consideration of the promises and the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Employee, intending to be legally bound, hereby agree as follows:

1. Adoption of Recitals. The above recitals are adopted here in this Agreement as if fully set forth hereafter.

2. Acknowledgement of Claim. The Company acknowledges and agrees that upon closing of the Sale Transaction (the "Closing"), the Employee will have a claim against the Company in the aggregate amount of \$953,634.51. The Company acknowledges and agrees that prior to or on the date of the Closing the Company will continue to pay employee benefits that the

Employee is entitled to (which benefits are equal to \$24,552.16 on an annual basis and include insurance premiums and an automobile allowance). Upon the Closing, the Employee acknowledges and agrees that, other than the Aggregate Employee Claim and any rights accrued, vested benefits under any qualified retirement plan or other employee benefit plan sponsored by the Company including without limitation, the Company's Employee Stock Ownership and 401(k) Plan, he shall have no further claims against the Company, and its respective officers, directors, employees, agents, consultants, attorneys and other advisors (collectively, "Representatives") and parent companies, subsidiaries, other affiliated corporations or entities, insurers, successors and assigns and their respective Representatives, including, but not limited to any and all claims arising under the Employment Agreement and under the Harold M. Pitman Company Executive Retirement and Voluntary Deferral Plan (the "Deferral Plan"), any other non-qualified retirement benefit plan and any associated trust or insurance policy including without limitation the Second Amended and Restated Pitman Retirement Trust.

3. Support of the Sale Transaction and Use of Certain of the Sale Proceeds. The Employee agrees to forbear from exercising any rights or remedies it may have in respect of the Employee Claim and agrees not to take any other action that is inconsistent with, or that would materially prevent, hinder or delay the consummation of, the Sale Transaction. The Employee acknowledges that the Company may distribute a portion of the Sale Proceeds up to an amount not to exceed \$2 million to the Company's shareholders and hereby consents to the distribution thereof.

4. Satisfaction of the Claim. In connection with and subject to the Closing, the parties agree that the Aggregate Employee Claim shall be satisfied as follows: (1) Employee shall be paid \$118,473.24 in cash on or about the Closing on account of contributions made by the Employee to the Deferral Plan; and (2) the Employee's agreement to defer receipt of payment on account of the balance of the Aggregate Employee Claim in the amount of \$835,161.27 at Closing and receive a pro rata interest in proceeds from the liquidation of Excluded Assets (as defined in the agreement governing the Sale Transaction).

5. Disposition of Employment Agreement. On and after the date of Termination, all the rights, obligations and liabilities contained in and arising out of the Employment Agreement shall become void and shall not longer have any further force and effect.

6. Release of Company. Upon the closing of the Sale Transaction, the Employee specifically releases, remises and forever discharges the Company and its respective Representatives, parent companies, subsidiaries, other affiliated corporations or entities, insurers, successors and assigns and their respective Representatives from all claims, whether known or unknown, suspected or unsuspected, asserted or unasserted, direct or indirect, at law or in equity of any nature which the Employee now has or ever had arising from the Employee's employment or the termination of the Employee's employment with the Company except as otherwise contained in this Agreement, including any common law claims or statutory claims including, but not limited to:

- (a) Claims under any state or federal discrimination, fair employment practices or other employment related statute, or regulation (as they may have been amended through the date of this Agreement) prohibiting discrimination or harassment based upon any protected status including, without limitation, race, color, religion, national origin, age, gender, marital status, disability, handicap, veteran status or sexual orientation. Without limitation, specifically included in this paragraph are any claims arising

under the Federal Rehabilitation Act of 1973, Age Discrimination in Employment Act of 1967, as amended, the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964 as amended by the Civil Rights Act of 1991, the Equal Pay Act, the Americans With Disabilities Act, Health Information Portability & Accountability Act of 1996, and any similar New Jersey or other state or local statute or ordinance.

- (b) Claims under any other state or federal employment related statute, or regulation (as they may have been amended through the date of this Agreement) relating to wages, hours or any other terms and conditions of employment. Without limitation, specifically included in this paragraph are any claims arising under the Fair Labor Standards Act, the Family and Medical Leave Act of 1993, the National Labor Relations Act, Employee Retirement Income Security Act of 1974, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the American Recovery and Reinvestment Act of 2009 and any similar New Jersey or local statute or ordinance.
- (c) Claims under any state or federal common law theory including, without limitation, wrongful discharge, breach of express or implied contract, promissory estoppel, unjust enrichment, breach of a covenant of good faith and fair dealing, violation of public policy, defamation, interference with contractual relations, intentional or negligent infliction of emotional distress, invasion of privacy, misrepresentation, deceit, fraud or negligence.
- (d) Any other claim arising under state or federal law.

7. Release of Employee. Upon the closing of the Sale Transaction, the Company shall forever be deemed to have waived and released the Employee from any and all claims, demands, obligations, liabilities and causes of action of any kind or character, whether known or unknown, suspected or unsuspected, asserted or unasserted, direct or indirect, at law or in equity including, but not limited to those enumerated in paragraph 6(c) immediately above, that the Company may now have or that might subsequently accrue to it arising from the Employee's employment with the Company.

8. General.

(a) Entire Agreement. This Agreement and the agreements referenced herein embody the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understanding relating to the matters provided for herein. No waiver or amendment hereto shall be binding or effective unless the same is set forth in writing signed by a duly authorized representative of each party.

(b) Counterparts. For the convenience of the parties, any number of counterparts of this Agreement may be executed by the parties hereto. Each such counterpart shall be, and shall be deemed to be, an original instrument, but all such counterparts taken together shall constitute one and the same Agreement. Delivery of a signed counterpart of this Agreement by facsimile transmission or PDF shall constitute valid and sufficient delivery thereof.

(c) Governing Law. This Agreement will be governed by and construed and enforced according to the domestic laws of the State of New York without giving effect to its conflicts of law or choice of law principles (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York. Each party hereto agrees that venue for any action to enforce the provisions of this Agreement shall be properly laid in any courts in Cook or DuPage counties, Illinois of the State of Illinois or any federal court located therein. Each party hereto also hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of Illinois and any federal courts located in Cook or DuPage counties, Illinois for any actions, suits or proceedings arising out of or relating to this Agreement (and agrees not to commence any action, suit or proceeding relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered or certified mail to it at its address set forth in the Credit Agreement. Each of the parties hereto hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement.

(d) No Duress. Employee acknowledges that Employee is entering into this agreement of Employee's own free will, after due consideration, and without duress from the Company. Employee acknowledges that Employee has been advised to consult with an attorney before signing this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Employee Settlement Agreement
as of the date first written above.

HAROLD M. PITMAN COMPANY

By: Vincent Lotano
Name: Vincent Lotano
Title: HR Director

EMPLOYEE

Paul F. Schmidt, Jr.
Paul F. Schmidt, Jr.

1769420 V2 - 028308/0001

Dan Sullivan

From: Paul F Schmidt Jr <pschmidtjr@gmail.com>
Sent: Sunday, October 16, 2011 12:41 PM
To: Dan Sullivan
Subject: Fwd: Paul F. Schmidt Jr. & Family Claims
Attachments: HMP Services Schedule F re Paul Schmidt.pdf; HMP Services Bar Date Order Excerpt.pdf

----- Forwarded message -----

From: Ennis, Carol S. <CEnnis@brownrudnick.com>
Date: Wed, Jan 19, 2011 at 6:29 PM
Subject: Paul F. Schmidt Jr. & Family Claims
To: Dan Sullivan <dansullivan@shlawfirm.com>, psullivan@arguscorp.net
Cc: pschmidtjr@gmail.com, "Kresge, Lisa M." <LKresge@brownrudnick.com>

Dan,

Attached is the page from HMP Services Holdings Inc.'s Schedule F that lists Paul (Peter) Schmidt's claims.

Also attached is an excerpt from the bar date order that describes who does not need to file a claim.

I believe Peter spoke with Peter Sullivan who reviewed the claim detail with him.

If you have any other questions please let us know.

Carol

Carol S. Ennis

Paralegal

Brown Rudnick LLP
One Financial Center
Boston, MA 02111
T: 617.856.8552
F: 617.289.0472
cennis@brownrudnick.com
www.brownrudnick.com

Please consider the environment before printing this e-mail

From: Dan Sullivan [mailto:dansullivan@shlawfirm.com]
Sent: Wednesday, January 19, 2011 10:10 AM
To: Peter Sullivan (psullivan@arguscorp.net); Ennis, Carol S.
Cc: Paul (Peter) F. Schmidt Jr. (pschmidtjr@gmail.com)
Subject: Paul F. Schmidt Jr. & Family Claims

Peter Sullivan: I am meeting with Paul F. Schmidt, Jr. right now. The purpose of our meeting is basically to go over claims that should be filed before the bar date on behalf of Paul F. Schmidt, Jr. and his family.

Paul F. Schmidt, Jr. told me that he has talked to you about the claim that Paul F. Schmidt, Jr. has against Pitman and his best memory of what he was told was that Paul F. Schmidt, Jr. has a claim in the neighborhood of 2.5 million. Mr. Schmidt also indicated that he understood his claim was filed with the bankruptcy court.

Mr. Schmidt would like to have forwarded to either Mr. Schmidt or me (preferably both of us) copies of the filing with the bankruptcy court of Mr. Schmidt's claim. Also, Mr. Schmidt would like to have a written breakdown or a written account detail of the claimed amounts. He has told me there are funds that are due that arise out of the Agreement that resolved Mr. Schmidt's employment contract. There are funds that also should be due from a trust known as the Renaissance Trust (Pitman Senior Management Retirement Program).

I am concerned about receiving that information because Mr. Schmidt has the claim sent from the court for filing. I need to absolutely confirm the filing has occurred so that I can go over it with Mr. Schmidt.

Also, since Argus has the books and records of Pitman or they are available to Argus, Mr. Schmidt requests information of any monies due from Pitman to Mr. Schmidt personally not contained in the two categories outlined above.

If you have any questions please call Mr. Schmidt directly or call me.

Thx.

Dan

Daniel C. Sullivan
120 W. 22nd St. Ste. 100
Oak Brook, IL 60523
T. 630-573-5021
F. 630-573-5130
C. 630-531-5021

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--
Paul F Schmidt Jr.
pschmidtjr@gmail.com

Dan Sullivan

From: Paul F Schmidt Jr <pschmidtjr@gmail.com>
Sent: Sunday, October 16, 2011 12:40 PM
To: Dan Sullivan
Subject: Fwd: Breakdown of my claim

----- Forwarded message -----

From: Peter Sullivan <psullivan@arguscorp.net>
Date: Fri, Jan 21, 2011 at 1:05 PM
Subject: RE: Breakdown of my claim
To: Paul F Schmidt Jr <pschmidtjr@gmail.com>
Cc: Dan Sullivan <dansullivan@shlawfirm.com>, John Haggerty <jhaggerty@arguscorp.net>, Bill Baldiga <wbaldiga@brownrudnick.com>, "Ennis, Carol S." <CEennis@brownrudnick.com>, LKresge@brownrudnick.com

Hi Peter,

It was good to speak with you this afternoon. I hope you are keeping warm.

I wanted to get back to you as soon as possible regarding your request.

As I indicated in our call the other day, a creditor claim of \$2,157,535.63 was listed on your behalf within the creditor schedules filed with the bankruptcy proceeding. I believe Carol forwarded you a copy of the actual schedule. The total amount is comprised two amounts:

- SERP claim	\$1,203,901.12
- Employment Contract claim	\$ 953,634.51.

I hope this answers your questions. As I indicated, please do not hesitate to contact me in the future with any questions.

All the best,

Peter

Peter Sullivan
 Argus Management
 Cell 617-803-8775

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-----Original Message-----

From: Paul F Schmidt Jr [mailto:pschmidtjr@gmail.com]

Sent: Friday, January 21, 2011 1:13 PM

To: Peter Sullivan

Cc: Dan Sullivan; John Haggerty; Bill Baldiga

Subject: Breakdown of my claim

1/21/11

Peter,

Would you be so kind to provide me and Dan Sullivan with what the breakdown of the claim for \$2.1 + million is for me so I can check it against my records! All Carol Ennis can give me is the total sum which does not really tell me anything. Your cooperation and prompt attention in regards to this matter would be greatly appreciated!

Sincerely,

Peter

Paul F Schmidt Jr

pschmidtjr@gmail.com

Sent from my iPad

--

Paul F Schmidt Jr.

pschmidtjr@gmail.com

In re HMP Services Holding, Inc.Case No. 10-13619 (BLS)

Debtor

AMENDED
SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
 (Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E D E B T O R	H W J C	Husband, Wife, Joint, or Community	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
Account No.								
SCHELLDORF, DOUGLAS 6142 SOUTH HOLLAND STREET LITTLETON, CO 80123		-				X	X	Unknown
Account No.								
SCHIRO, VINCENT 3263 GARDENIA LANE Yوبا LINDA, CA 92886		-				X	X	Unknown
Account No.								
SCHLETT, DONNA HELEN 22-15 RAPHAEL STREET FAIR LAWN, NJ 07410		-				X	X	Unknown
Account No.								
SCHMIDT JR, PAUL 8808 ROYAL SWAN LN DARIEN, IL 60561		-				X	X	Unknown
Account No.								
Schmidt, Paul F. Jr. 8808 Royal Swan Lane Darien, IL 60561		-		Prior to 11/8/10				2,157,535.63
Sheet no. <u>162</u> of <u>204</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims								
Subtotal (Total of this page)								2,157,535.63

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MATTHEW P. BARRETTE
RYAN A. MAHONEY
ALYSON M. SULLIVAN
MICHAEL A. FACCENDA
KEVIN O. GEROW

TEL (630) 573-5021

FAX (630) 573-5130

www.shlawfirm.com

October 17, 2011

VIA OVERNIGHT MAIL and U.S. MAIL

HMPS Services Holding Sub III, LLC et al.
Claims Processing Center
c/o EPIQ Bankruptcy solutions, LLC
757 Third Avenue, 3rd Floor
New York, NY 10017

Re: Case No. 10-1361(BLS)

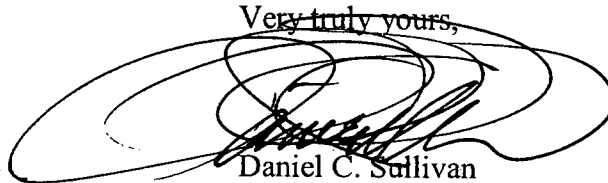
Dear Sir or Madam:

Please find enclosed and original and one copy for filing of an Amended Schedule F that amends the Notice of Amended Schedule F filed by the Liquidation Trustee for HMP Services Holding, Inc. This is sent to you at the direction of the Liquidation Trustee pursuant to the Notice of Amended Schedule F as the claims agent, Epiq Bankruptcy Solutions, LLC.

Please note and confirm receipt and date of receipt of this amendment to Schedule F on the enclosed copy of this letter and return it to the undersigned in the self addressed franked envelope.

A copy of this amendment to Schedule F contesting the change asserted by the Liquidation Trustee has been served upon Michael W. Yurkewicz, 919 Market Street, Suite 1000, Wilmington, Delaware 19801-3062.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Daniel C. Sullivan', is written over a large, loopy circular flourish.

Daniel C. Sullivan

Enclosures

cc: Michael Yurkewicz

*Sullivan, Hincks & Conway
120 W. 22nd Street, Suite 100
Oak Brook, Illinois 60523*

TO: HMP Services Holding Sub III, LLC et al.
Claims Processing Center
c/o EPIQ Bankruptcy Solutions, LLC
FDR Station, P.O. Box 5082
New York, NY 10150-5082

