THE STATE OF SOUTH CAROLINA
In The Supreme Court

RECEIVED
JUL 05 2018
S.C. SUPREME COURT

APPEAL FROM GREENVILLE COUNTY
Court of Common Pleas

The Honorable D. Garrison Hill
Circuit Court Judge

Unpublished Opinion No. 2018-UP-078 (S.C. Ct. App. filed February 7, 2018)

DAVID WILSON, INDIVIDUALLY AND DERIVATIVELY ON BEHALF OF CAROLINA CUSTOM CONVERTING, LLC, ... Plaintiff,

vs.

JOHN GANDIS, ANDREA COMEAU-SHIRLEY, ZOI FILMS, LLC, AND CAROLINA CUSTOM CONVERTING, LLC, ... Defendants,

JOHN GANDIS AND ANDREA COMEAU-SHIRLEY, ... Third-Party Plaintiffs,

vs.

CAROLINA CUSTOM CONVERTING, LLC,
..... Third-Party Defendant and Counterclaim Plaintiff,

vs.

DAVE WILSON, STEVE NORVELL, NEOLOGIC DISTRIBUTION, INC. AND FRESH WATER SYSTEMS, INC.,

Of Whom David Wilson, Neologic Distribution, Inc., and Fresh Water Systems, Inc., are the .....Respondents,

and

JOHN GANDIS, ANDREA COMEAU-SHIRLEY, AND CAROLINA CUSTOM CONVERTING, LLC, ... Petitioners.

APPENDIX TO PETITIONER CAROLINA CUSTOM CONVERTING, LLC'S PETITION FOR A WRIT OF CERTIORARI
(Volume 4 of 5)

INDEX

1. Record on Appeal, Vol. 1 .....App. 1 – App. 508
2. Record on Appeal, Vol. 2 .....App. 509 – App. 1030
3. Record on Appeal, Vol. 3 .....App. 1031 – App. 1544
4. Record on Appeal, Vol. 4 .....App. 1545 – App. 2084
5. Record on Appeal, Vol. 5 .....App. 2085 – App. 2586
6. Supplemental Record on Appeal .....App. 2452 – App. 2461
7. Appellant CCC's Final Brief .....App. 2462 – App. 2496
8. Respondent's Final Brief .....App. 2497 – App. 2531
9. Appellant CCC's Reply Brief .....App. 2532 – App. 2558
10. Opinion 18-UP-078 .....App. 2559 – App. 2561
11. CCC's Petition for Rehearing .....App. 2562 – App. 2584
12. Order Denying Petition for Rehearing .....App. 2585 – App. 2586

Improved Lease No. 2 (Cont.)

General Tenant Summary

Management Co.	Trinity Investment & Development
Verification	Other sources: Lease, Confirmed by Tom Mahaffey

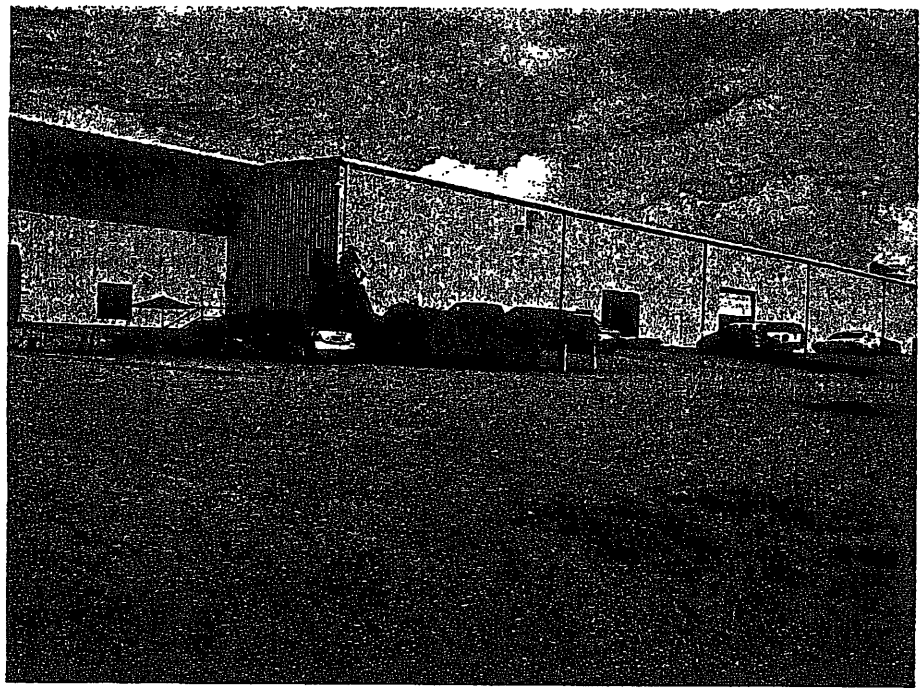
Rent Analysis

Actual Rent	$3.50 - $3.50/SF; $3.50/SF Average
Effective Rent	$3.50 - $3.50/SF; $3.50/SF Average

Remarks

This building consists of 14,400 SF with 3.70% office space. The building has 100% HVAC in office are and suspended gas heat in the warehouse space. Eaves are approximately 23' 7". The building was built in 2002.

Improved Lease No. 3



Property Identification

Record ID	1053
Property Type	Commercial, Office Warehouse
Property Name	Office Warehouse - Industrial
Address	301 Alliance Parkway, Anderson, Anderson County, South Carolina

Physical Data

SF	34,238	
Gross SF	34,238	
Area Breakdown	Office/Warehouse	34,238
Year Built	2000 , approx.	

Improved Lease No. 3 (Cont.)

General Tenant Summary

Verification	Other sources: 3rd Party, Confirmed by Billy Tipping
Percent Finished	3.91

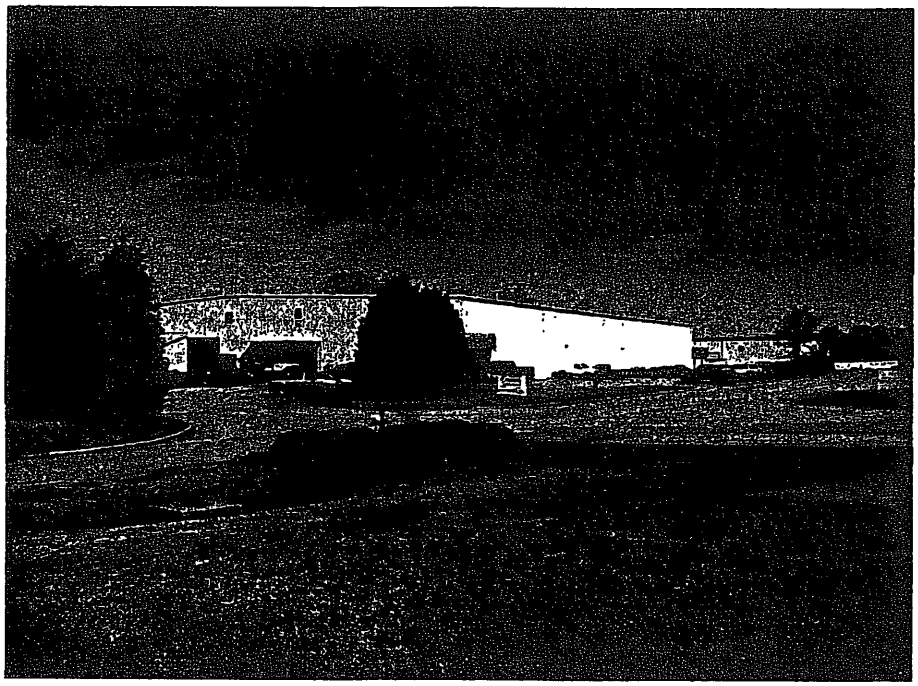
Rent Analysis

Actual Rent	$3.10 - $3.10/SF; $3.10/SF Average
Effective Rent	$3.10 - $3.10/SF; $3.10/SF Average

Remarks

This building is pre-engineered steel with (7) loading docks & (1) drive-in door. The ceilings range from 20' at the eaves to 26' at the center. The building is sprinkled throughout. Renewed 1/2013.

Improved Lease No. 4



Property Identification

Record ID	1046
Property Type	Commercial, Office Warehouse
Property Name	Office Warehouse
Address	107 Twenty Nine Court, Williamston, Anderson County, South Carolina

Physical Data

SF	40,000
SF	40,000

Tenant Rent Roll

Suite No.	Tenant Name	Size	Rent/SF	Lease Type	Beg. Date	Term
107	Stanco Metal Products, Inc.	40,000	$3.10	Triple Net		

Improved Lease No. 4 (Cont.)

General Tenant Summary

Management Co.	Trinity Investment and Develop
Verification	Other sources: Lease, Confirmed by Tom Mahaffey

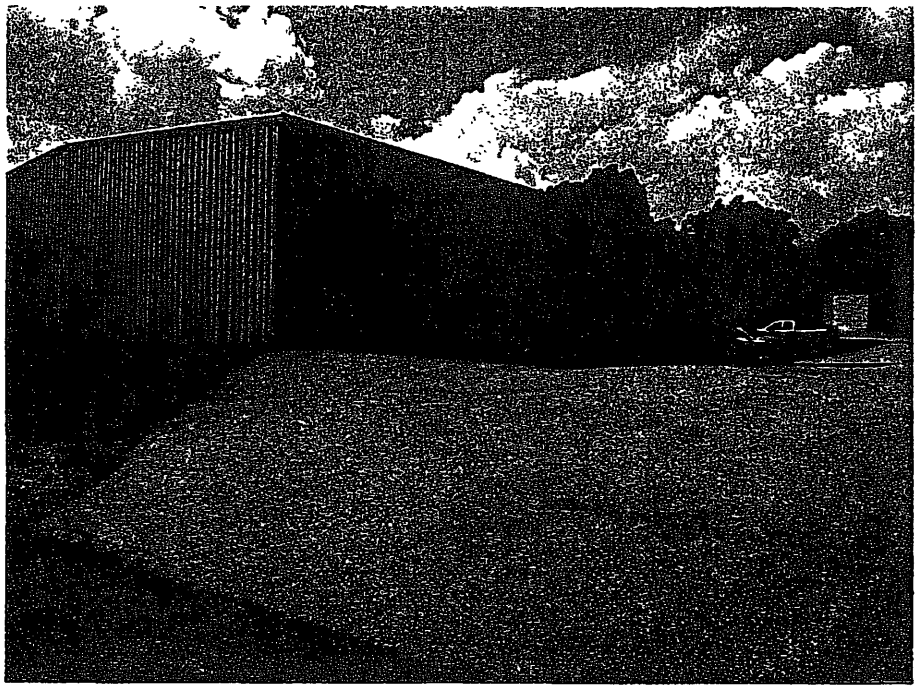
Rent Analysis

Actual Rent	$3.10 - $3.10/SF; $3.10/SF Average
Effective Rent	$3.10 - $3.10/SF; $3.10/SF Average

Remarks

This building consists of 40,000 SF with 1.34% office space. The building has 100% HVAC in office are and suspended gas heat in the warehouse space. Eaves are approximately 24' 7". It is believed that this building was built in the mid 1990's, approximately.

Improved Lease No. 5



Property Identification		
Record ID	1055	
Property Type	Commercial, Office Warehouse	
Property Name	Office Warehouse	
Address	106 Metro Drive, Anderson, Anderson County, South Carolina	
Physical Data		
SF	8,000	
Gross SF	8,000	
Area Breakdown	Office/shop area	8,000
Year Built	1995 , approx.	

Improved Lease No. 5 (Cont.)

General Tenant Summary

Verification	Gerald Terry; Other sources: 3rd Party, inspection, Confirmed by Billy Tipping
Percent Finished	0.1

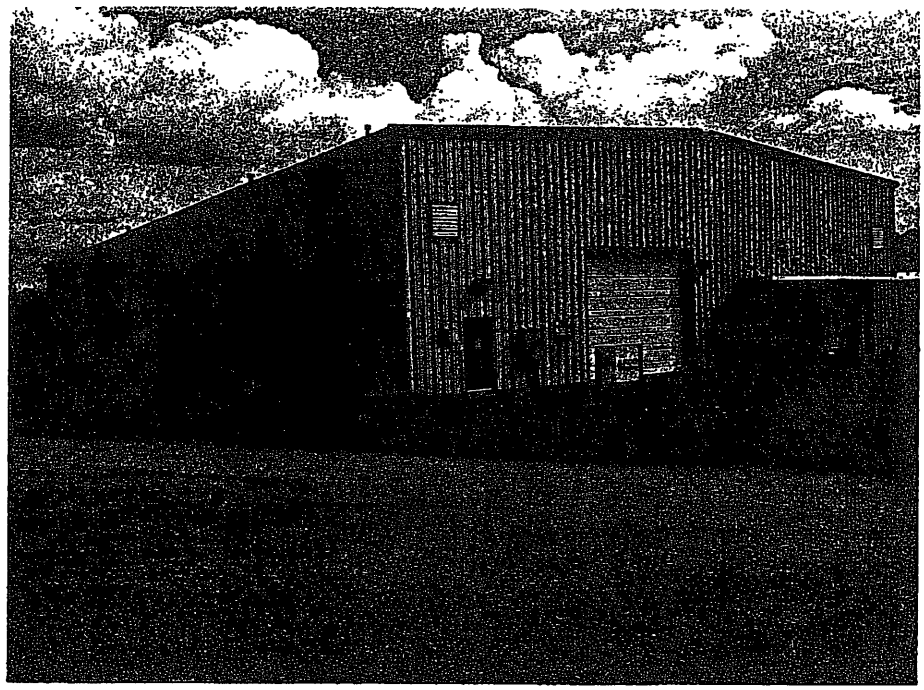
Rent Analysis

Actual Rent	$3.23 - $3.23/SF; $3.23/SF Average
Effective Rent	$2.62 - $2.62/SF; $2.62/SF Average

Remarks

This building is pre-engineered steel with (1) drive-in door. The ceilings range from 18' at the eaves to approximately 22' at the center. The lease commenced on June 1, 2014, per leasing agent. The lease is a modified gross lease, with the effect rent at $2.62, per realtor. Very little finished space.

Improved Lease No. 6



Property Identification

Record ID	1054
Property Type	Commercial, Office Warehouse
Property Name	Office Warehouse - Industrial
Address	311 Alliance Parkway, Anderson, Anderson County, South Carolina

Physical Data

SF	14,750	
Gross SF	14,750	
Area Breakdown	Office/Warehouse	14,750
Year Built	2000 , approx.	

Improved Lease No. 6 (Cont.)

General Tenant Summary

Verification	Gerald Terry; Other sources: 3rd Party, Confirmed by Billy Tipping
Percent Finished	0.1

Rent Analysis

Actual Rent	$4.39 - $4.39/SF; $4.39/SF Average
Effective Rent	$3.57 - $3.57/SF; $3.57/SF Average

Remarks

This building is pre-engineered steel with (2) loading docks & (1) drive-in door. The ceilings range from 24' at the eaves to 28' at the center. The lease will commence November 1, 2014, per leasing agent. The lease is a modified gross lease, with the effect rent at $3.57, per realtor.

DEED

099044473 12/20/1999 B03598 P00046

STATE OF SOUTH CAROLINA)
)
COUNTY OF ANDERSON)

TITLE TO REAL ESTATE

GRANTEES' ADDRESS
101 Old Province Way
Greer, South Carolina 29650

KNOW ALL MEN BY THESE PRESENTS, that Barney D. Darby, Jr. (hereinafter referred to collectively, whether one or more, as "Grantor"), in the State aforesaid, in consideration of the sum of Five and no/100 ($5.00) Dollars and other valuable consideration to Grantor in hand paid by M-Tech Properties, LLC (hereinafter referred to collectively, whether one or more, as "Grantee"), in the State aforesaid, the receipt of which is hereby acknowledged, has granted, bargained, sold and released, and by these presents Grantor does grant, bargain, sell and release unto the said

M-TECH PROPERTIES, LLC

All those tracts, pieces, or parcels of land, together with any improvements thereon, situated within the corporate limits of the City of Anderson, County and State aforesaid, and being shown as Lots "A" (1.205 acres), Lot "B" (0.425 acres), Lot "C" (0.200 acres) and Lot "D" (4.431 acres), River Heights Circle, on a plat prepared by R.D. Garrison, RLS, dated July 14, 1986, and recorded in the Office of the Clerk of Court for Anderson County, South Carolina, in Plat Book 96 at page 519, and having such metes, bounds, courses and distances as are shown on said plat, which is incorporated herein by reference.

This is the same property conveyed unto Barney D. Darby, Jr. by deeds recorded in the Office of the Clerk of Court for Anderson County, South Carolina, in Deed Book 1367 at page 211, and Deed Book 20-X at page 493.

ALSO: All that lot, piece, or parcel of land, together with any improvements thereon, situated in the City of Anderson, State of South Carolina, containing approximately 3.312 acres, and being shown on a plat prepared by Robert D. Garrison, R.L.S, dated July 2, 1980, and recorded in the Office of the Clerk of Court for Anderson County, South Carolina, in Plat Book 87 at page 378, and having such metes, bounds, courses and distances as are shown on said plat, which is incorporated herein by reference; said property being bounded on the west by Lloyd Drive, on the north by Southern Railroads (centerline of right of way being the line), on the east by 4.868 acre tract, and on the south by River Heights Circle.

This is the same property conveyed unto Barney D. Darby, Jr. by deed of Paul Popham, Bobby Porter and Horace Burton, as successor trustees of the River Heights Pentecostal Holiness Church dated September 17, 1980, and recorded in the Office of the Clerk of Court for Anderson County, South Carolina, in Deed Book 19-K at page 816.

ALSO: All that lot, piece, or parcel of land, together with any improvements thereon, situated in the City of Anderson, in County of Anderson, State of South Carolina, and being shown as Lots

Thirty-eight (38) and Thirty-nine (39), River Heights Circle, on a plat prepared by W.T. Divver, R.L.S. dated March 25-29, 1949, and recorded in the Office of the Clerk of Court for Anderson County, South Carolina, in Plat Book 25 at page 155, and having such metes, bounds, courses and distances as are shown on said plat, which is incorporated herein by reference.

This is the same property conveyed unto Barney Darby, Jr. by deed of Louise L. MacLean dated December 10, 1990, and recorded in the Office of the Clerk of Court for Anderson County, South Carolina, in Deed Book 111 at page 44.

This conveyance is made subject to applicable zoning ordinances and valid recorded easements, restrictions and covenants.

Together with all and singular, the rights, members, hereditaments and appurtenances to the said premises belonging or in anywise incident or appertaining.

To Have and to Hold all and singular the premises before mentioned unto the said Grantee and Grantee's heirs, or successors, and assigns forever.

And Grantor does hereby bind Grantor and Grantor's heirs, successors and assigns, to warrant and forever defend all and singular the said premises unto the said Grantee, and Grantee's heirs, successors and assigns, against Grantor and Grantor's heirs, successors and assigns and against every person whomsoever lawfully claiming, or to claim the same or any part thereof.

IN WITNESS WHEREOF, the execution hereof this 16 day of December, in the year of our Lord One Thousand Nine Hundred Ninety-Nine (1999) and in the Two Hundred and Twenty-Fourth (224th) year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Barney D. Darby, Jr.

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF ANDERSON)

PERSONALLY APPEARED before me James J. Stathis, who, being duly sworn, deposes and says that s/he saw Barney D. Darby, Jr. sign and deliver the within Deed for the uses and purposes therein mentioned and that s/he with Sue Allen Jett witnessed the execution thereof.

SWORN TO BEFORE ME THIS

16 day of December, 1999.

Sue Allen Jett (LS)
Notary Public for South Carolina
My commission Expires: 6/15/08

X James J. Stathis
Witness

099044473 12/20/1999 B03598 P00049

STATE OF SOUTH CAROLINA)
) AFFIDAVIT
COUNTY OF ANDERSON)

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

Property located at River Heights Circle (Lots "A", "B", "C", "D", 38, 39 and 3.312 acre tract), bearing Anderson County Tax Map Number, 150-11-02-010, 149-20-02-016 and 150-00-01-005 was transferred by Barney D. Darby, Jr. to M-Tech Properties, LLC on December ____, 1999.

The transaction was (Check one):

_X_ an arm's length real property transaction and the sales price paid or to be paid in money or money's worth was: $160,000.00*

____ not an arm's length real property transaction and the fair market value of the property is $_____.*

____ The above transaction is exempt, or partially exempt, from the recording fee as set forth in S.C. Code Ann. Section 12-24-10 et.seq. because the deed is (See back of affidavit.):

_____

As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: _____ Seller _____ Attorney for Purchaser
Other: _____

I further understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

SWORN TO BEFORE ME THIS

16th day of December, 1999

_____ (L.S)
Notary Public for South Carolina
My Commission Expires: June 6, 2008

_____
Purchaser, Legal Representative of the Purchaser, or other responsible Person Connected with the Transaction

* The fee is based on the real property's value. Value means the realty's fair market value. In arm's length real property transactions, this value is the sales price to be paid in money or money's worth (e.g. stocks, personal property, other realty, forgiveness of debt, mortgages assumed or placed on the realty as a result of the transaction). However, a deduction is allowed from this value for the amount of any lien or encumbrance existing on land, tenement, or realty before the transfer and remaining on it after the transfer.

099044473 12/20/1999 03:14:43PM
FILED, RECORDED, INDEXED
Bk:03598 Pg:00046 Pages:4
RecFee:10.00 St Fee:416.00
Co Fee:176.00
REGISTER OF DEEDS, ANDERSON CO, SC
Shirley McElhannon

BCD1074114

State of South Carolina
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

CHARLES B STONE

Is hereby entitled in practice as a:

Certified General Appraiser

License Number: 188

Expiration Date: 06/30/2016

OFFICE COPY

Administrator

BCD 1101162

State of South Carolina
Department of Labor, Licensing and Regulation
Real Estate Appraisers Board

WILLIAM ALLEN TIPPING JR

Is hereby entitled in practice as a:

Certified General Appraiser

License Number: 4179

Expiration Date: 06/30/2016

OFFICE COPY

Administrator

Real Estate Appraisers Professional Liability

Liberty Surplus Insurance Corporation

Date Issued	Policy Number	Previous Policy Number
08/26/2013	LSI005432-012	LSI005432-011

LIBERTY SURPLUS INSURANCE CORPORATION

(A New Hampshire Stock Insurance Company, hereinafter the "Company")
175 Berkeley Street
Boston, MA 02117

THIS IS A CLAIMS MADE AND REPORTED POLICY PLEASE READ IT CAREFULLY

DECLARATIONS

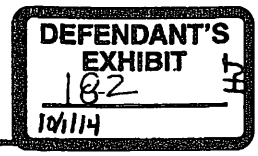
Item		
1.	Customer ID: 114143 Named Insured: STONE & ASSOCIATES, INC. 1100A Rutherford Road Greenville, SC 29609	This company has been approved by the director or his designee of the South Carolina Department of Insurance to write business in this State as an eligible surplus lines insurer, but it is not afforded guaranty fund protection.
2.	Policy Period: From: 09/24/2013 To: 09/24/2014 12:01 A.M. Standard Time at the address stated in Item 1.	
3.	Deductible: $2,500 Each Claim	
4.	Retroactive Date: 09/24/1993	
5.	Inception Date: 09/24/2002	
6.	Limits of Liability: A. $1,000,000 Each Claim B. $1,000,000 Aggregate	The Limit of Liability for Each Claim and in the Aggregate is reduced by Damages and Claims Expenses as defined in the Policy.
7.	Mail all notices, including notice of claim, to Agent:	LIA Administrators & Insurance Services 1600 Anacapa Street Santa Barbara, California 93101 (800) 334-0652; Fax: (805) 962-0652
8.	Annual Premium: $7,243.00 + $434.58 Surplus Lines Tax	
9.	Number of Appraisers: 7	
10.	Forms attached at issue: LIA002S (10/11) LIA012 (08/11) LIA013 (08/11) LIA025 (03/10) OFAC (08/09) SC-9 (10/08)	

This Declarations Page together with the completed and signed Policy Application including all attachments and exhibits thereto, and the Real Estate Appraisers Professional Liability Insurance Policy shall constitute the contract between the Named Insured and the Company.

By _____
Authorized Signature

LIA001S (04/10)

STONE & ASSOCIATES, INC



From: Bill Shaw <bill@neologicdistribution.com>
Sent: Friday, April 19, 2013 12:35 PM
To: 'Joe Benedict'
Cc: 'JulieAnne London'; 'Dave Wilson'
Subject: NeoLogic Invoice 1087
Attachments: Invoice 1087.pdf; image003.jpg

Follow Up Flag: Follow up
Flag Status: Completed

Hi Joe,

Attached please find our invoice 1087 for toll slitting job commissions.

Best regards,

Bill Shaw
Manager, Customer Service
(864) 751-9136 Direct
(864) 284-1819 Fax
(864) 612-0430 Cell

NeoLogic
DISTRIBUTION

NeoLogic Distribution, Inc.

85 Commerce Center
Greenville, SC 29615

Invoice

Date	Invoice #
4/19/2013	1087

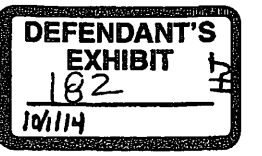
Bill To
ROL-VAC 207 Tracy Road Dayville, CT 06241 USA

Ship To
ROL-VAC 207 Tracy Road Dayville, CT 06241 USA

P.O. Number	Terms	Rep	Ship	Via	F.O.B	Project
	Net 30	DW	4/19/2013			

Quantity	Item Code	Description	Price Each	Amount
	misc	Toll Slitting Job Commissions	1,499.42	1,499.42T
		Remit To: NeoLogic Distribution, Inc 85 Commerce Center Greenville, SC 29615 Attn: JulieAnne London		
		Out-of-state sale, exempt from sales tax	0.00%	0.00
			Total	$1,499.42

NORVELL2_023043



From: Bill Shaw <bill@neologicdistribution.com>
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Cc: 'JulieAnne London'; 'Dave Wilson'
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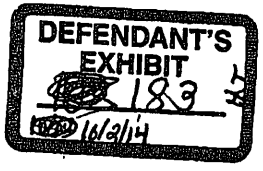
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	Net 30	DW	4/19/2013			

Quantity	Item Code	Description	Price Each	Amount
	misc	Toll Slitting Job Commissions	1,499 42	1,499 42T
		Remit To: NeoLogic Distribution, Inc 85 Commerce Center Greenville, SC 29615 Attn: JulieAnne London		
		Out-of-state sale, exempt from sales tax	0 00%	0 00
			Total	$1,499 42

NORVELL2_023043



CCC Lost Gross Profit
CCC Gross Profit Margin Applied to EFS Revenue

	GP %	*23.14%*	*23.14%*	*27.45%*	
EFS Customer		7/1/08-12/31/08	2009	2010	Total
31 Incorporated		-	-	-	-
Calflex		13,007	-	-	13,007
Chata Coating & Laminating		-	-	-	-
Chiefs AC Supply		2,189	-	-	2,189
Coating Specialty Co.		-	-	-	-
Dundas Jafine		21,465	-	-	21,465
E Sider & Company		-	-	26	26
Filmquest Group		-	-	-	-
Filmtech		-	-	-	-
Flexcase		-	-	-	-
FlexTech		799	-	-	799
Global Packaging Solutions, Inc.		-	-	-	-
Gray Flex		-	-	-	-
Hart & Cooley		-	-	-	-
Industries Vermont SA DE CV		2,290	-	-	2,290
Interflex Group		2,548	-	-	2,548
JP Lamborn		49,215	95,697	-	144,912
Kempol		-	-	-	-
Lambro Venting		-	-	-	-
Minova USA		-	-	-	-
Modular Metal Fabricators		62,526	-	-	62,526
PCFI II		-	-	-	-
Phoenix Films, Inc.		-	35	-	35
Plant Growers Workshop		-	-	-	-
Roxcel USA		131	-	-	131
Techniflex		774	-	-	774
Valencia		-	-	-	-
West Carrolton Parchment		144,095	-	-	144,095
		299,040	95,732	26	394,797

CCC Lost Gross Profit
CCC Gross Profit Margin Applied to EFS Revenue

	GP %	*23.14%*	*23.14%*	*23.14%*	*27.45%*	
EFS Customer		1/1/08-6/30/08	7/1/08-12/31/08	2009	2010	Total
31 Incorporated			-	-	-	-
Calflex			13,007	-	-	13,007
Chata Coating & Laminating			-	-	-	-
Chiefs AC Supply			2,189	-	-	2,189
Coating Specialty Co.			-	-	-	-
Dundas Jafine			21,465	-	-	21,465
E Sider & Company			-	-	26	26
Filmquest Group			-	-	-	-
Filmtech			-	-	-	-
Flexease			-	-	-	-
FlexTech			799	-	-	799
Global Packaging Solutions, Inc.			-	-	-	-
Gray Flex			-	-	-	-
Hart & Cooley			-	-	-	-
Horizon Energy				-	-	-
Industries Vermont SA DE CV			2,290	-	-	2,290
Interflex Group			2,548	-	-	2,548
JP Lamborn			49,215	95,697	-	144,912
Kempol			-	-	-	-
Lambro Venting			-	-	-	-
Minova USA			-	-	-	-
Modular Metal Fabricators			62,526	-	-	62,526
PCFI II			-	-	-	-
Phoenix Films, Inc.			-	35	-	35
Plant Growers Workshop			-	-	-	-
Roxcel USA			131	-	-	131
Techniflex			774	-	-	774
Valencia			-	-	-	-
West Carrolton Parchment			144,095	-	-	144,095
		-	299,040	95,732	26	394,797

CCC Lost Gross Profit
CCC Gross Profit Margin Applied to EFS Revenue

	GP %	*23.14%*	*23.14%*	*23.14%*	*27.45%*	
EFS Customer		1/1/08-6/30/08	7/1/08-12/31/08	2009	2010	Total
31 Incorporated		1,653.17	-	-	-	1,653.17
Calflex		-	13,006.96	-	-	13,006.96
Chata Coating & Laminating		229.46	-	-	-	229.46
Chiefs AC Supply		11,100.07	2,189.34	-	-	13,289.41
Coating Specialty Co.		-	-	-	-	-
Dundas Jafine		-	21,464.62	-	-	21,464.62
E Sider & Company		-	-	-	26.08	26.08
Filmquest Group		-	-	-	-	-
Filmtech		6.45	-	-	-	6.45
Flexease		3,684.02	-	-	-	3,684.02
FlexTech		13,804.81	798.87	-	-	14,603.68
Global Packaging Solutions, Inc.		1,161.05	-	-	-	1,161.05
Gray Flex		421.56	-	-	-	421.56
Hart & Cooley		-	-	-	-	-
Horizon Energy		1,843.44	2,637.44	-	-	4,480.88
Industries Vermont SA DE CV		18,210.83	2,290.41	-	-	20,501.24
Interflex Group		4,996.59	2,547.91	-	-	7,544.50
JP Lamborn		21,768.44	49,215.10	95,697.08	-	166,680.62
Kempol		917.09	-	-	-	917.09
Lambro Venting		7,408.75	-	-	-	7,408.75
Minova USA		96,298.71	-	-	-	96,298.71
Modular Metal Fabricators		36,983.46	62,525.59	-	-	99,509.05
PCFI II		23,247.93	-	-	-	23,247.93
Phoenix Films, Inc.		-	-	34.61	-	34.61
Plant Growers Workshop		1,153.07	-	-	-	1,153.07
Roxcel USA		393.20	131.46	-	-	524.66
Techniflex		2,745.75	774.16	-	-	3,519.91
Valencia		25,859.04	-	-	-	25,859.04
West Carrolton Parchment		43,844.46	144,095.30	-	-	187,939.76
		317,731.35	301,677.16	95,731.69	26.08	715,166 28

CCC Lost Gross Profit

CCC Gross Profit Margin Applied to Selected Neologic Revenue

	2012	2013	2014 thru July	Total
Neologic Sales to Selected Customers	135,197	582,756	267,323	985,276
CCC Gross profit margin	18.62%	21.26%	21.26%	
CCC Lost Gross Profit	25,178	123,879	56,826	**205,884**

CAROLINA FIRST

7102381605 31 I

EASTERN FILM SOLUTIONS INC
ATTN: STEVEN B NORVELL
85 COMMERCE CENTER DR
GREENVILLE SC 29615

October 31, 2008 - November 30, 2008	Account Number 7102381605	Page 1 of 3 6 enclosures

FREE SMALL BUSINESS CHECKING — **Summary** — **7102381605**

Previous Balance	+ Deposits Credits	- Checks Debits	- Service Charges	+ Interest Credits	New Balance
1,361.70	116,837.96	110,781.53	0.00	0.00	7,418.13

30 Days in Statement Period

Deposits

Date	*Description*	*Amount*
11-12	CUSTOMER DEPOSIT	63,064.20
11-12	CUSTOMER DEPOSIT	53,773.76
Total Deposits	*$116,837.96*	

Checks

Date	*Number*	*Amount*	*Date*	*Number*	*Amount*	*Date*	*Number*	*Amount*
11-03	1002	1,110.00	11-26	1003	3,709.17	11-14	1004	5,914.20
Total Checks		*$10,733.37*						

Described Debits

Date	*Description*	*Amount*
11-12	DEBIT MEMO	100,048.16
Total Described Debits	*$100,048.16*	

CCC_NORVELL0033

EASTERN FILM SOLUTIONS INC
ATTN: STEVEN B NORVELL

Account Number 7102381605

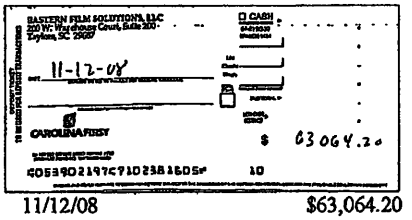
Daily Balance Summary

Date	*Balance*	*Date*	*Balance*
10-31 Beginning Balance	1,361.70	11-14	11,127.30
11-03	251.70	11-26 Ending Balance	7,418.13
11-12	17,041.50		

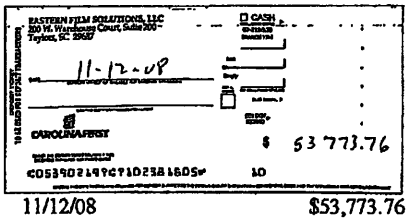
EASTERN FILM SOLUTIONS INC
ATTN: STEVEN B NORVELL

Account Number 7102381605
Page 3 of 3

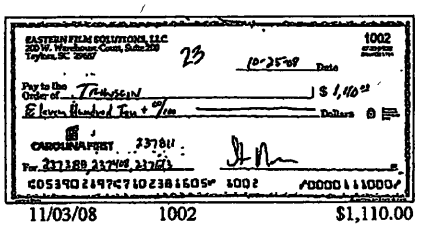
This is a legal copy of your image.



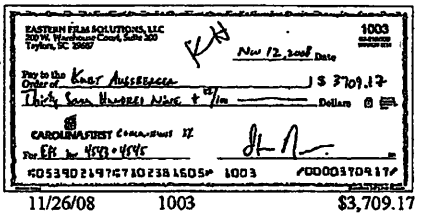
11/12/08 $63,064.20



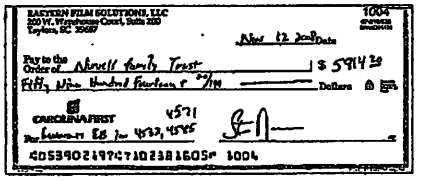
11/12/08 $53,773.76



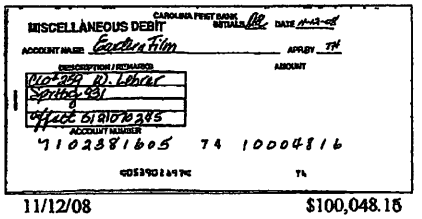
11/03/08 1002 $1,110.00



11/26/08 1003 $3,709.17



11/14/08 1004 $5,914.20



11/12/08 $100,048.16

CCC_NORVELL0035

From: Steve Norvell <snorvell@freshwatersystems.com>
Sent: Wednesday, December 10, 2008 4:32 PM
To: 'davewilson@easternfilms.net'
Subject: JM Lamborn

I'm interested. What is the film weight, arrival date and payment due to Polyasia per container? Also, how many containers delivered in Feb, Mar & April? Lastly, what is the payment terms w/ customer?

From: Dave Wilson [mailto:davewilson@easternfilms.net]
Sent: Wednesday, December 10, 2008 4:25 PM
To: 'Steve Norvell'
Subject: west carrollton and new financing opportunity

Hi Steve,

I spoke with Tamarah at west carrollton today. She has one of the three open invoices cued for payment on the 19th. She is waiting for her controller to code the other two invoices, one from 11/3 and one from October. I asked her to see if she could get the October invoice paid on this Friday's check run. She will check with her controller. I'll let you know. More than likely, the second invoice from 11/3 will be paid on the 19th as well.

I have another financing opportunity for us. I have 4 containers of metalized pet on order from a customer, JP Lamborn. These containers were originally scheduled to deliver in October, November and December. They ordered more film than they needed and asked me to push back the delivery dates which I did. The delivery dates were pushed back to Feb, march and april. They have come back to me again and asked if I can do anything to push the dates back further since their business has slowed down. I am importing this through Mike. We have terms from Polyasia but we don't want to ask polyasia to delay the shipments again. We need to bring the containers in as scheduled but delay billing to Lamborn by 60 days. In order for us to do this and pay Polyasia within terms, we need to finance the orders for 60 days.

Since our line with Carolina First will be paid down, do you want to use the line to finance these 4 orders? We can pay you $.05/lb on these orders and I will pay all finance charges with the bank. This would be an easy $8000 to $10000 for you. Lamborn is a solid company who typically takes discounts but they are just heavy on inventory and want to delay shipments. I would like to propose shipping the material into them as scheduled on consignment or with delayed billing.

Let me know if you are OK with the concept and I'll send you all of the details in a spreadsheet.

Regards,

Dave Wilson
Eastern Film Solutions
864-238-5407

From: Dave Wilson <dave@ccc-films.com>
Sent: Monday, April 13, 2009 5:44 PM
To: 'John Gandis'
Cc: Andrea Comeau-Shirley (namasteconsult@bellsouth.net)
Subject: RE: Andrea Responds

Follow Up Flag: Follow up
Flag Status: Flagged

Hi John and Andrea,

I am pretty ignorant on distributions of profits and taxes so forgive me for asking some questions.

I spoke with my accountant today and he was a bit confused as to why the company needs to take advantage of home mortgage deductions. He said our personal deductions have nothing to do with distributions of profits or taxes.

My accountant said that both John and I should probably be taking in w-2 income since our distributions may be classified as salaries if we are audited. If we can make the claim that we are passive owners with other jobs, then I can see the reasoning behind pulling out distributions and not salaries.

Regarding my distributions last year... should these payments be classified as guaranteed payments instead of distributions? The company can deduct 50% of this which will reduce our net income. The payments I received last year was basically a salary which I required since I was taking my customers from EFS and putting them into CCC reducing my ability to earn a living. John, you agreed to not take any money out initially since cash flow was tight. This was helpful. Now that the company is profitable and cash flow is better, we are both pulling out money each month which is in the form of a distribution on Andrea's recommendation. I guess the question is whether the payments to me last year were distribution of profits or a salary. Are we calling my income last year a distribution so that the equity accounts match?

We need to determine what operating cash should be left in the business. My accountant recommends that we keep no more than 30 days of operating cash in the businsess. If we are leaving cash in the business to buy equipment for example, then the cash requirement changes. I think we need to have a plan for distributions that we both agree on and that makes sense for us to operate the company without debt. I don't know what that should look like but I think we should have some idea so we can plan our personal finances based on how the business is doing. This really hasn't been an issue until now but now that the company is making money, we need to have a plan which may include retirement plans, etc. Andrea, I'm sure you can help advise us on these things.

My marginal tax rate in 2007 was 30% with state and federal combined. What exactly does my accountant need to prepare before distributions are made? Below you said that the company will cut a check for the taxes owed and then may still owe the partners distributions from profits in 2008 and Q1 2009. Will these be additional checks cut to the partners?

Again, sorry for my ignorance but I need to be educated on these subjects. I look forward to hearing from you.

Regards,

Dave Wilson

NP ID CCC-REVIEW0122240

Carolina Custom Converting
864 238 5407

From: John Gandis [mailto:john@ccc-films.com]
Sent: Monday, April 06, 2009 8:49 PM
To: dave@ccc-films.com
Subject: Andrea Responds

The next step is as follows:

John gathers his W-2, his home mortgage and real property tax information and sends it to Andrea so she can prepare a tax estimate.

Dave gives his accountant that summarized P&L that I had you write on, along with his tax information so that accountant can prepare his tax estimate.

Once these estimates (federal and SC are prepare) – Dave let's you know what his accountant wants him to remit – we compare it to what I want you to remit ... and we cut checks based on those amounts.

In this manner, the company gets to take advantage of home mortgage interest deductions and the like and doesn't have to send out too much $$ to the IRS. We will talk about how to handle Estimated Tax payments at the same time.

Can you ask Dave how long it will take his accountant to prepare his extension calculation? I only need a few days once you get your data to me.

NEXT – we do NOT subtract the taxes from the draws that have already been made, but we ADD them to it So if Dave's accountant says he need $25K to pay his taxes ... the company will give him $25K and he will have "earned" $106 and received $48K + $25 off that distributed to him. The company will still "owe" him $33k ($106 profits less $48 distributed in 2008 less $25 distributed for taxes = $33K).

Tax planning – I think everyone should remember that we are dealing with CASH BASIS numbers for 2008 – that means the checks that were received in 2008 less the checks written in 2008. We cannot write a check in 2009 and change those results. ALSO – there is still a risk that the company earned too much money and will need to be on the accrual basis.

NOW ... You can create a SEP deduction by taking $$ that is allocated to you and putting it into a retirement account – ROUGHLY you could fund $26,500 and end up owing taxes on only $80K.. This will require more $$ to come out of the company because you will have to fund 100% of the SEP and then the taxes on the remainder . .. IT is a great financial plan though ..but will lock your cash up until retirement ... For this reason I would NOT recommend it as a corporate funding... We should talk about it – I would have the company fund the taxes AND .. if the owner wants to set aside $$. for the SEP... they can fund out of 2009 distributions (so long as they are paid in by 10/15 – they will be able to deduct on their tax returns).

Since we are going to just do a quick extension calculation – how about if you fax to me the few items I mentioned .. if there is another large item out there – send it as well ... and let's see how things are shaking up.

Andrea

From: John Gandis <john@decotexllc.com>
Sent: Wednesday, May 28, 2008 11:07 AM
To: davewilson@easternfilms.net
Subject: CCC Questions

Follow Up Flag: Follow up
Flag Status: Completed

Been thinking again... dangerous !

Andrea is going to want to know what you did in sales last year with these accounts that CCC will assume... this will help us better determine how well we can afford a salary.

Is this something that you have available ?

Also –

We should start systematically purchasing the film from EFS – the stuff that you have on your books... we should buy here. Do you have an inventory ?

- JG

From: Namaste Consulting <namasteconsult@bellsouth.net>
Sent: Tuesday, May 04, 2010 2:27 PM
To: 'Dave Wilson'
Cc: john@ccc-films.com
Subject: RE: inventory discrepancy

Inventory True – up is still in process and I had warned you and John not to use the quickbook figures yet as we are still to hone a process that keeps us from having issues ....

John and I exchanged a series of emails at end of year and we are working on a process that reduces bookkeeping issues. As to physical inventories - We didn't do a physical in April – I don't think we need to do monthly but we do need to have a period inventory ...If you would like to come and do the physical this weekend – I could back it up to April as not too much time has gone by... I think it would be great to do at least three times a year (I was willing to settle for twice)...

You should NOT be looking in the Quickbooks and only looking at the excel data. As an owners we will report to you cleaned up numbers – looking at the data before clean ups are done just creates questions. The intention is to come up with a process that eventually keeps BOTH you and John out of the Quickbooks. YOU should be aware that only the Excel document is maintained on a DAILY basis... so that really is the best and only place you should look....

As for the cash situation – this is not new - we have been strapped for cash since day one and our growth has made it worse because we have to buy even MORE film now that before .... Minova has created a new pinch on cash because, while we make great $$ from them – we are always "invested" in film for them.
I haven't quite figured out yet how to show you guys the cash conversion cycle in a way that makes the most sense .... You guys tend to see the profit and think it means available cash .. but the reality is –we are constantly re-investing this months' cash into inventory to make new profits.. .

As for inventory status- I have continuously recommended that we convert film (ALL FILM) to sales:

If I get you guys to see that the pounds are not what is critical (we can have HUGE inventory on hand – if its flipping) – what really needs to be monitored is the AGE of the inventory . .
This is why I had Joy and Jeff add the dates to the Excel spreadsheet so you guys can see this very easily on the spreadsheet.

We do have A LOT OF MONEY invested in film that has been here for a very long time .

BUT in talking with John .. we also have a capacity and a risk/reward issue. We don't really have an extra machine (yet) that could convert product to finished goods ... AND John also says we incur risks cutting some of our rolls when they haven't been sold yet.

It would be really helpful if you could look over the film listing and identify which rolls would be used for FUTURE SALES – especially in the duct area – so we could make a commitment and CUT the rolls now and hold them for future orders.... While that won't generate $$ today – what it will do is reduce (or even eliminate) the current trend of purchasing NEW films (wider rolls) to meet these customer demands because we don't have enough lead time to work with the existing film supply....

Andrea

From: Dave Wilson [mailto:dave@ccc-films.com]
Sent: Tuesday, May 04, 2010 2:04 PM
To: 'Namaste Consulting'

Cc: john@ccc-films.com
Subject: inventory discrepancy

Hi Andrea,

I am looking at our inventory to see where we can turn some items into sales within the next 30 days. Are you aware that our inventory in excel shows roughly 350,000 lbs between A grade, Rewinds and finished goods compared to quickbooks which shows our inventory at 460,000 lbs? This is concerning if the numbers in excel are correct. This means we are carrying 110,000 lbs on our books that does not exist. This is of great concern to me because this was one of the big problems we had at Palmetto Custom Films. Did we do a physical inventory at the end of March? In my opinion, quarterly physicals are the minimum we should do. Monthly would be even better but I know it takes manpower and we are short on this. Please let me know if I am missing something. I am happy to help if we need to do a physical to reconcile the two. 110,000 lbs of loss accounts for a lot of cash and helps explain why we are so strapped.

Regards,

Dave Wilson
Carolina Custom Converting
864 238 5407

Product	Alias'	Vendor
777		3M
890		3M
860		3M
862		3M
870		3M
990		3M
DS1		DuPont
DS2		DuPont
DSCW		DuPont
054		DuPont
ST504		DuPont
XPCR		DuPont
XPCRP		DuPont
ARS		DuPont
A		DuPont
S		DuPont
822		DuPont
X6615		DuPont
XST661		DuPont
X66550		DuPont
X6528		DuPont
X6574		DuPont
XST6557		DuPont
XST6573		DuPont
XST6580		DuPont
X6581		DuPont
X6550		DuPont
568		DuPont
625		DuPont
626		DuPont
XST6632		DuPont
XST6646		DuPont
X6570		DuPont
627		DuPont
628		DuPont
727		DuPont
927W		DuPont

7074		DuPont
RSX631		DuPont
X635		DuPont
808H		DuPont
834		DuPont
X6554		DuPont
X6537		DuPont
X6563		DuPont
X6566		DuPont
X6576		DuPont
X689TOP		DuPont
X842		DuPont
1320	2000, 2364	Mitsubishi
1327		Mitsubishi
1328		Mitsubishi
1329		Mitsubishi
132B		Mitsubishi
132C		Mitsubishi
132F		Mitsubishi
132R		Mitsubishi
132T		Mitsubishi
132Z		Mitsubishi
1360	2240N, 2440N, 2261N, 2262N	Mitsubishi
1367		Mitsubishi
1368	2600N, 2601N, 2602N, 2604N, 2609N, 2MAIN	Mitsubishi
1369	2662N,	Mitsubishi
136Q		Mitsubishi
136B	2GB1N	Mitsubishi
136C	3SAB, 3SAC, 2SAB, 2SAC	Mitsubishi
136R	2CSRN	Mitsubishi
136T		Mitsubishi
1330	3901, 3915, 3955	Mitsubishi
1334		Mitsubishi
3LD4		Mitsubishi
133B		Mitsubishi
133C		Mitsubishi
133M		Mitsubishi
1340		Mitsubishi
1341		Mitsubishi
1342		Mitsubishi
1344	4407, 4WB4	Mitsubishi
1345	4507, 4WB5, 4WP5	Mitsubishi
1346		Mitsubishi
1347		Mitsubishi
1348		Mitsubishi
1349		Mitsubishi
134J		Mitsubishi
134L		Mitsubishi
134M	43M7, 43SM	Mitsubishi
134P	4LAP	Mitsubishi
135A		Mitsubishi
13C4		Mitsubishi
13C8		Mitsubishi
13D2		Mitsubishi

13M0		Mitsubishi
13MR	MT0R	Mitsubishi
13V0		Mitsubishi
13VQ		Mitsubishi
13W0	W270	Mitsubishi
13WQ	W54B	Mitsubishi
2LRLN		Mitsubishi
2RD6N	SX6643	Mitsubishi
2262N		Mitsubishi
4707		Mitsubishi
4CRL		Mitsubishi
4TLM		Mitsubishi
4TLON	SX646	Mitsubishi
4TLSN		Mitsubishi
SD4C		Mitsubishi
SD4C1		Mitsubishi
SD4F		Mitsubishi
SD4G		Mitsubishi
SD4H		Mitsubishi
SD4I		Mitsubishi
SD72	7211, 7333	Mitsubishi
SDD2	7333UV	Mitsubishi
SDN2	EH5WF1, 5000	Mitsubishi
SDNJ	EH5WF2, N55C, N511	Mitsubishi
SX242		Mitsubishi
SX2421		Mitsubishi
SX2423		Mitsubishi
SX4461	4DISHN	Mitsubishi
SX646	4TLON	Mitsubishi
SX6466	4465N	Mitsubishi
SX62	2ECKN	Mitsubishi
SX664	2VC4N	Mitsubishi
SX6K		Mitsubishi
SX82		Mitsubishi
SX6R		Mitsubishi
SXN5		Mitsubishi
U60		Toray
PA66		Toray
PA10	PA1K	Toray
U80		Toray
F7R		Toray
FA6		Toray
XM30		Toray
F65		Toray
PA25		Toray
QS51		Toray

Clarity	Treatment
medium Haze	
Low Haze	
Low Haze	
Low Haze	
medium Haze	
High Clarity	
Clear	
Clear	
High Clarity 1%	
High Clarity	
Crystal Clear	
medium Haze 3-6%	
medium Haze 3-6%	
Lo Clarity	
Lo Clarity (48g MED)	
low haze	
	1ST
	NT
	2ST
	1ST
	1ST
	NT
Haze 3% - 7%	1ST
Haze 3% - 7%	
White Opaque Film	

Hi Clarity - Lo gloss	
Moderate Haze	
Clear	2ST
	1ST
	NT
Clear	1ST
	NT
Hi Clarity	
Clear	1ST
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Medium Haze <2.7%	
Clear (Med)	
Clear (Med)	
Moderate Haze	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Clear	
Clear	
Clear	
Ultra Clear	
Ultra Clear	
Clear	
Clear	
Clear	
Clear	
Clear	
Clear	
Ultra Clear	
Ultra Clear	
Clear	
Transition Polymer/Haze varies	
Moderate Haze	
Clear	

Matte film	
Matte film	Medium Gloss
White Voided/Translucent Film	
White Voided/Translucent Film	
White Opaque Film	
White Opaque Film	
Clear (MED)	
Moderate Haze 3%	
Moderate Haze	
Ultra Clear	
Ultra Clear	
Ultra Clear	
High-Med Clarity	
Ultra Clear	
Ultra Clear	
Ultra Clear 6 - 1 0 %	
Clear	
Clear	
Clear	
Clear	
Ultra Clear	
UC 1% Haze	
Ultra Clear	
Hi Clarity	
Clear	
Clear	
High Clarity	(R) side is acrylic, (6) side is co-poly
Hi - Med Clarity 2.5% (92g)	
Hi Clarity 1 8%	
Med	
medium Haze 3%	
Moderate Haze	
Ultra Clear	
Moderate Haze	
Ultra Clear	
Medium	

Treatment Type
No Treatment
Corona Treat outside
Corona Treat or No treat
Corona Treat or No treat
Corona Treat or No treat
1 Side print adhesion, 1 side plain
Outside slip treat, Chem inside Treat
2 side Chem Treat
Outside Corona Treated
2 side treat adhesion promoting
Outside treat adhesion promoting
No Treatment
1 Side Adhesion Promoting
Outside treat adhesion promoting
No Treatment
No Treatment
1 side chem treat
1 Side Treated
Adhesion promoting outside
Adhesion promoting 2 sides
TWO SIDE COATED - INSIDE COATED WITH COLOR FILTER (NIR), DRUM SIDE INSIDE OUTSIDE COATED WITH ANTISTAT/SLIP , AIR SIDE OUTSIDE
ONE SIDE (OUTSIDE) SLIP PRETREATED
STABILIZED FILM, UV STABILIZED, TWO SIDE SURLYN ADHESION PRETREATED
STABILIZED FILM, ONE SIDE (OUTSIDE) PU PRETREATED
COATED ON ONE SIDE FOR ADHESION
TWO-SIDE COATED USED FOR ANTI-GLARE/ANTI-FOG MEDICAL FACE SHIELD
HIGH CLARITY -STANDARD ADHESION PROMOTER OUTSIDE AND ANTISTATIC PROTECTION INSIDE INTENDED FOR INK JET APPLICATIONS
HIGH CLARITY - COEXTRUDED B69 WITH NO PRETREATMENT ON THE B69 SURFACE. MUST BE WOUND WITH THE ADHESION SURFACE INSIDE
COEXTRUDED CONTAINING A UV ABSORBER WITH RHOPLEX INSIDE SURFACE. OUTSIDE NON COATED CO-EXTRUDED SURFACE.
AB COEX FILM FOR PHOTOTOOL APPLICATIONS. ONE SIDE PROVIDES SLIP/SHEETING ATTRIBUTES. OTHER SIDE IS UNTREATED.
COEXTRUDED UV ABSORBER INSIDE IS ADHESION PRETREATED OUTSIDE IS COEXTRUDED
COEXTRUDED UV ABSORBERT-SUB INSIDE IS HIGH COAT WEIGHT RHOPLEX SURFACE OUTSIDE OF THE ROLL IS NON COATED COEXTRUDED
BOTH SIDES ARE PRETREATED W/ HEAVY WEIGHT RHOPLEX-3208 WITH SANTICIZER
High Opacity White Untreated

Silicone treated
two side coated -clear and colorless B43 film
no treatment
Food Packaging 1 side coated, release inside
SUPER-CLEAR WITH C-SUB BOTH SIDES
Non Pretreated
lightly filled, 1 side adhesion, 1 side slip/antistat
lightly filled, 1 side slip/antistat
UV Stabilized 2 Side print adhesion
1 side print adhesion
1 Side chem for Adh, 1 side chem for print/PE extrusion
No Treatment
1 side anti-stat treatment, 1 side plain
1 Side print adhesion, 1 side plain
2 Side print adhesion
silicone adherable one side
silicone adherable both sides
2 Side print adhesion
1 Side print Treated, 1 side plain
1 Side corona treatment, 1 side plain
1 Side corona treatment, 1 side print adhesion
No Treatment
1 side anti-stat treatment, 1 side plain
1 Side print adhesion, 1 side plain
2 Side print adhesion
2 Side adhesion
1 Side print adhesion, 1 side plain
1 or 2 side silicone adherable, dyne of 50 to 55
1 Side print Treated, 1 side plain
1 Side corona treatment, 1 side plain
No Treatment
Both sides treated for Ink adhesion
1 side slip and adhesion, 1 side plain
1 side silicone adherable
silicone adherable both sides
1 side slip treated, 1 side plain
No Treatment
Both sides slip treated
Both sides anti-stat
1 side print adhesion, 1 side plain
Both sides print adhesion
1 side print adhesion, 1 side anti-stat
1 side anti-stat treatment, 1 side plain
1 side print adhesion, 1 side plain
Both sides print adhesion
Both sides print adhesion
Both sides print adhesion
1 side slip treated, 1 side plain
1 side print adhesion, 1 side slip treated
Plain both sides
No Treatment
1 Side adhesion, 1 side plain
1 sile slip, 1 side plain

No Treatment
1 Side Print Adh
No Treatment
Both sides print adhesion
No Treatment
Both sides print adhesion
1 sides cold seal release 1 side adhesion
1 side Adh (copoly)/ 1 side plain with high cof
no treatment
1 side anti-stat treatment, 1 side plain
1 side Slip , 1 side cold seal
1 side Slip , 1 side plain
2 side slip modified
2 side slip modified
1 sides cold seal release 1 side plain
1 side cold seal release 1 side slip/Adh
Anti-Fog both sides
1 sides slip & anti-stat 1 side slip,anti-stat & adhesion
2 sides adhesion and slip
1 side slip and adhesion, 1 side plain
1 side slip treated, 1 side plain
1 side slip , 1 side plain
1 side slip treated, 1 side plain
Both sides slip treated
No Treatment
1 side adhesion and slip, 1 side plain
1 Side Slip 1 Side Slip/release
2 Side print adhesion
2 side slip
1 side print adhesion, 1 side slip treated
1 Side Silicone Coated
Slip Modified surface
1 sides cold seal release 1 side adhesion
1 side Slip , 1 side plain
1 sides cold seal release 1 side adhesion
Both sides adhesion
No Treatment
No Treatment
1 Side Enhanced for Print, 1 plain
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment

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Product	Alias'	Vendor
777		3M
890		3M
860		3M
862		3M
870		3M
990		3M
DS1		DuPont
DS2		DuPont
DSCW		DuPont
054		DuPont
ST504		DuPont
XPCR		DuPont
XPCRP		DuPont
ARS		DuPont
A		DuPont
S		DuPont
822		DuPont
X6615		DuPont
XST661		DuPont
X66550		DuPont
X6528		DuPont
X6574		DuPont
XST6557		DuPont
XST6573		DuPont
XST6580		DuPont
X6581		DuPont
X6550		DuPont
568		DuPont
625		DuPont
626		DuPont
XST6632		DuPont
XST6646		DuPont
X6570		DuPont
627		DuPont
628		DuPont
727		DuPont
927W		DuPont

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7074		DuPont
RSX631		DuPont
X635		DuPont
808H		DuPont
834		DuPont
X6554		DuPont
X6537		DuPont
X6563		DuPont
X6566		DuPont
X6576		DuPont
X689TOP		DuPont
X842		DuPont
1320	2000, 2364	Mitsubishi
1327		Mitsubishi
1328		Mitsubishi
1329		Mitsubishi
132B		Mitsubishi
132C		Mitsubishi
132F		Mitsubishi
132R		Mitsubishi
132T		Mitsubishi
132Z		Mitsubishi
1360	2240N, 2440N, 2261N, 2262N	Mitsubishi
1367		Mitsubishi
1368	2600N, 2601N, 2602N, 2604N, 2609N, 2MAIN	Mitsubishi
1369	2662N,	Mitsubishi
136Q		Mitsubishi
136B	2GB1N	Mitsubishi
136C	3SAB, 3SAC, 2SAB, 2SAC	Mitsubishi
136R	2CSRN	Mitsubishi
136T		Mitsubishi
1330	3901, 3915, 3955	Mitsubishi
1334		Mitsubishi
3LD4		Mitsubishi
133B		Mitsubishi
133C		Mitsubishi
133M		Mitsubishi
1340		Mitsubishi
1341		Mitsubishi
1342		Mitsubishi
1344	4407, 4WB4	Mitsubishi
1345	4507, 4WB5, 4WP5	Mitsubishi
1346		Mitsubishi
1347		Mitsubishi
1348		Mitsubishi
1349		Mitsubishi
134J		Mitsubishi
134L		Mitsubishi
134M	43M7, 43SM	Mitsubishi
134P	4LAP	Mitsubishi
135A		Mitsubishi
13C4		Mitsubishi
13C8		Mitsubishi
13D2		Mitsubishi

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13M0		Mitsubishi
13MR	MT0R	Mitsubishi
13V0		Mitsubishi
13VQ		Mitsubishi
13W0	W270	Mitsubishi
13WQ	W54B	Mitsubishi
2LRLN		Mitsubishi
2RD6N	SX6643	Mitsubishi
2262N		Mitsubishi
4707		Mitsubishi
4CRL		Mitsubishi
4TLM		Mitsubishi
4TLON	SX646	Mitsubishi
4TLSN		Mitsubishi
SD4C		Mitsubishi
SD4C1		Mitsubishi
SD4F		Mitsubishi
SD4G		Mitsubishi
SD4H		Mitsubishi
SD4I		Mitsubishi
SD72	7211, 7333	Mitsubishi
SDD2	7333UV	Mitsubishi
SDN2	EH5WF1, 5000	Mitsubishi
SDNJ	EH5WF2, N55C, N511	Mitsubishi
SX242		Mitsubishi
SX2421		Mitsubishi
SX2423		Mitsubishi
SX4461	4DISHN	Mitsubishi
SX646	4TLON	Mitsubishi
SX6466	4465N	Mitsubishi
SX62	2ECKN	Mitsubishi
SX664	2VC4N	Mitsubishi
SX6K		Mitsubishi
SX82		Mitsubishi
SX6R		Mitsubishi
SXN5		Mitsubishi
U60		Toray
PA66		Toray
PA10	PA1K	Toray
U80		Toray
F7R		Toray
FA6		Toray
XM30		Toray
F65		Toray
PA25		Toray
QS51		Toray

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Clarity	Treatment
medium Haze	
Low Haze	
Low Haze	
Low Haze	
medium Haze	
High Clarity	
Clear	
Clear	
High Clarity 1%	
High Clarity	
Crystal Clear	
medium Haze 3-6%	
medium Haze 3-6%	
Lo Clarity	
Lo Clarity (48g MED)	
low haze	
	1ST
	NT
	2ST
	1ST
	1ST
	NT
Haze 3% - 7%	1ST
Haze 3% - 7%	
White Opaque Film	

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Hi Clarity - Lo gloss	
Moderate Haze	
Clear	2ST
	1ST
	NT
Clear	1ST
	NT
Hi Clarity	
Clear	1ST
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Medium Haze <2 7%	
Clear (Med)	
Clear (Med)	
Moderate Haze	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Clear	
Clear	
Clear	
Ultra Clear	
Ultra Clear	
Clear	
Clear	
Clear	
Clear	
Clear	
Clear	
Ultra Clear	
Ultra Clear	
Clear	
Transition Polymer/Haze varies	
Moderate Haze	
Clear	

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Matte film	
Matte film	Medium Gloss
White Voided/Translucent Film	
White Voided/Translucent Film	
White Opaque Film	
White Opaque Film	
Clear (MED)	
Moderate Haze 3%	
Moderate Haze	
Ultra Clear	
Ultra Clear	
Ultra Clear	
High-Med Clarity	
Ultra Clear	
Ultra Clear	
Ultra Clear .6 - 1.0 %	
Clear	
Clear	
Clear	
Clear	
Ultra Clear	
UC 1% Haze	
Ultra Clear	
Hi Clarity	
Clear	
Clear	
High Clarity	(R) side is acrylic, (6) side is co-poly
Hi - Med Clarity 2.5% (92g)	
Hi Clarity 1.8%	
Med	
medium Haze 3%	
Moderate Haze	
Ultra Clear	
Moderate Haze	
Ultra Clear	
Medium	

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Matte film	
Matte film	Medium Gloss
White Voided/Translucent Film	
White Voided/Translucent Film	
White Opaque Film	
White Opaque Film	
Clear (MED)	
Moderate Haze 3%	
Moderate Haze	
Ultra Clear	
Ultra Clear	
Ultra Clear	
High-Med Clarity	
Ultra Clear	
Ultra Clear	
Ultra Clear .6 - 1.0 %	
Clear	
Clear	
Clear	
Clear	
Ultra Clear	
UC 1% Haze	
Ultra Clear	
Hi Clarity	
Clear	
Clear	
High Clarity	(R) side is acrylic, (6) side is co-poly
Hi - Med Clarity 2.5% (92g)	
Hi Clarity 1.8%	
Med	
medium Haze 3%	
Moderate Haze	
Ultra Clear	
Moderate Haze	
Ultra Clear	
Medium	

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Silicone treated
two side coated -clear and colorless B43 film
no treatment
Food Packaging 1 side coated, release inside
SUPER-CLEAR WITH C-SUB BOTH SIDES
Non Pretreated
lightly filled, 1 side adhesion, 1 side slip/antistat
lightly filled, 1 side slip/antistat
UV Stabilized 2 Side print adhesion
1 side print adhesion
1 Side chem for Adh, 1 side chem for print/PE extrusion
No Treatment
1 side anti-stat treatment, 1 side plain
1 Side print adhesion, 1 side plain
2 Side print adhesion
silicone adherable one side
silicone adherable both sides
2 Side print adhesion
1 Side print Treated, 1 side plain
1 Side corona treatment, 1 side plain
1 Side corona treatment, 1 side print adhesion
No Treatment
1 side anti-stat treatment, 1 side plain
1 Side print adhesion, 1 side plain
2 Side print adhesion
2 Side adhesion
1 Side print adhesion, 1 side plain
1 or 2 side silicone adherable, dyne of 50 to 55
1 Side print Treated, 1 side plain
1 Side corona treatment, 1 side plain
No Treatment
Both sides treated for Ink adhesion
1 side slip and adhesion, 1 side plain
1 side silicone adherable
silicone adherable both sides
1 side slip treated, 1 side plain
No Treatment
Both sides slip treated
Both sides anti-stat
1 side print adhesion, 1 side plain
Both sides print adhesion
1 side print adhesion, 1 side anti-stat
1 side anti-stat treatment, 1 side plain
1 side print adhesion, 1 side plain
Both sides print adhesion
Both sides print adhesion
Both sides print adhesion
1 side slip treated, 1 side plain
1 side print adhesion, 1 side slip treated
Plain both sides
No Treatment
1 Side adhesion, 1 side plain
1 sile slip, 1 side plain

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No Treatment
1 Side Print Adh
No Treatment
Both sides print adhesion
No Treatment
Both sides print adhesion
1 sides cold seal release.1 side adhesion
1 side Adh (copoly)/1 side plain with high cof
no treatment
1 side anti-stat treatment, 1 side plain
1 side Slip , 1 side cold seal
1 side Slip , 1 side plain
2 side slip modified
2 side slip modified
1 sides cold seal release 1 side plain
1 side cold seal release 1 side slip/Adh
Anti-Fog both sides
1 sides slip & anti-stat 1 side slip,anti-stat & adhesion
2 sides adhesion and slip
1 side slip and adhesion, 1 side plain
1 side slip treated, 1 side plain
1 side slip , 1 side plain
1 side slip treated, 1 side plain
Both sides slip treated
No Treatment
1 side adhesion and slip, 1 side plain
1 Side Slip 1 Side Slip/release
2 Side print adhesion
2 side slip
1 side print adhesion, 1 side slip treated
1 Side Silicone Coated
Slip Modified surface
1 sides cold seal release 1 side adhesion
1 side Slip , 1 side plain
1 sides cold seal release 1 side adhesion
Both sides adhesion
No Treatment
No Treatment
1 Side Enhanced for Print, 1 plain
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment

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Product	Alias'	Vendor
777 –		3M
890		3M
860		3M
862		3M
870		3M
990		3M
DS1		DuPont
DS2		DuPont
DSCW		DuPont
054		DuPont
ST504		DuPont
XPCR		DuPont
XPCRP		DuPont
ARS		DuPont
A		DuPont
S		DuPont
822		DuPont
X6615		DuPont
XST661		DuPont
X66550		DuPont
X6528		DuPont
X6574		DuPont
XST6557		DuPont
XST6573		DuPont
XST6580		DuPont
X6581		DuPont
X6550		DuPont
568		DuPont
625		DuPont
626		DuPont
XST6632		DuPont
XST6646		DuPont
X6570		DuPont
627		DuPont
628		DuPont
727		DuPont
927W		DuPont

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7074		DuPont
RSX631		DuPont
X635		DuPont
808H		DuPont
834		DuPont
X6554		DuPont
X6537		DuPont
X6563		DuPont
X6566		DuPont
X6576		DuPont
X689TOP		DuPont
X842		DuPont
1320	2000, 2364	Mitsubishi
1327		Mitsubishi
1328		Mitsubishi
1329		Mitsubishi
132B		Mitsubishi
132C		Mitsubishi
132F		Mitsubishi
132R		Mitsubishi
132T		Mitsubishi
132Z		Mitsubishi
1360	2240N, 2440N, 2261N, 2262N	Mitsubishi
1367		Mitsubishi
1368	2600N, 2601N, 2602N, 2604N, 2609N, 2MAIN	Mitsubishi
1369	2662N,	Mitsubishi
136Q		Mitsubishi
136B	2GB1N	Mitsubishi
136C	3SAB, 3SAC, 2SAB, 2SAC	Mitsubishi
136R	2CSRN	Mitsubishi
136T		Mitsubishi
1330	3901, 3915, 3955	Mitsubishi
1334		Mitsubishi
3LD4		Mitsubishi
133B		Mitsubishi
133C		Mitsubishi
133M		Mitsubishi
1340		Mitsubishi
1341		Mitsubishi
1342		Mitsubishi
1344	4407, 4WB4	Mitsubishi
1345	4507, 4WB5, 4WP5	Mitsubishi
1346		Mitsubishi
1347		Mitsubishi
1348		Mitsubishi
1349		Mitsubishi
134J		Mitsubishi
134L		Mitsubishi
134M	43M7, 43SM	Mitsubishi
134P	4LAP	Mitsubishi
135A		Mitsubishi
13C4		Mitsubishi
13C8		Mitsubishi
13D2		Mitsubishi

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http://www.simpopdf.com

13M0		Mitsubishi
13MR	MT0R	Mitsubishi
13V0		Mitsubishi
13VQ		Mitsubishi
13W0	W270	Mitsubishi
13WQ	W54B	Mitsubishi
2LRLN		Mitsubishi
2RD6N	SX6643	Mitsubishi
2262N		Mitsubishi
4707		Mitsubishi
4CRL		Mitsubishi
4TLM		Mitsubishi
4TLON	SX646	Mitsubishi
4TLSN		Mitsubishi
SD4C		Mitsubishi
SD4C1		Mitsubishi
SD4F		Mitsubishi
SD4G		Mitsubishi
SD4H		Mitsubishi
SD4I		Mitsubishi
SD72	7211, 7333	Mitsubishi
SDD2	7333UV	Mitsubishi
SDN2	EH5WF1, 5000	Mitsubishi
SDNJ	EH5WF2, N55C, N511	Mitsubishi
SX242		Mitsubishi
SX2421		Mitsubishi
SX2423		Mitsubishi
SX4461	4DISHN	Mitsubishi
SX646	4TLON	Mitsubishi
SX6466	4465N	Mitsubishi
SX62	2ECKN	Mitsubishi
SX664	2VC4N	Mitsubishi
SX6K		Mitsubishi
SX82		Mitsubishi
SX6R		Mitsubishi
SXN5		Mitsubishi
U60		Toray
PA66		Toray
PA10	PA1K	Toray
U80		Toray
F7R		Toray
FA6		Toray
XM30		Toray
F65		Toray
PA25		Toray
QS51		Toray

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Clarity	Treatment
medium Haze	
Low Haze	
Low Haze	
Low Haze	
medium Haze	
High Clarity	
Clear	
Clear	
High Clarity 1%	
High Clarity	
Crystal Clear	
medium Haze 3-6%	
medium Haze 3-6%	
Lo Clarity	
Lo Clarity (48g MED)	
low haze	
	1ST
	NT
	2ST
	1ST
	1ST
	NT
Haze 3% - 7%	1ST
Haze 3% - 7%	
White Opaque Film	

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Hi Clarity - Lo gloss	
Moderate Haze	
Clear	2ST
	1ST
	NT
Clear	1ST
	NT
Hi Clarity	
Clear	1ST
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Medium Haze <2.7%	
Clear (Med)	
Clear (Med)	
Moderate Haze	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Clear	
Clear	
Clear	
Ultra Clear	
Ultra Clear	
Clear	
Clear	
Clear	
Clear	
Clear	
Clear	
Ultra Clear	
Ultra Clear	
Clear	
Transition Polymer/Haze varies	
Moderate Haze	
Clear	

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Matte film	
Matte film	Medium Gloss
White Voided/Translucent Film	
White Voided/Translucent Film	
White Opaque Film	
White Opaque Film	
Clear (MED)	
Moderate Haze 3%	
Moderate Haze	
Ultra Clear	
Ultra Clear	
Ultra Clear	
High-Med Clarity	
Ultra Clear	
Ultra Clear	
Ultra Clear .6 - 1.0 %	
Clear	
Clear	
Clear	
Clear	
Ultra Clear	
UC 1% Haze	
Ultra Clear	
Hi Clarity	
Clear	
Clear	
High Clarity	(R) side is acrylic, (6) side is co-poly
Hi - Med Clarity 2.5% (92g)	
Hi Clarity 1.8%	
Med	
medium Haze 3%	
Moderate Haze	
Ultra Clear	
Moderate Haze	
Ultra Clear	
Medium	

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Treatment Type
No Treatment
Corona Treat outside
Corona Treat or No treat
Corona Treat or No treat
Corona Treat or No treat
1 Side print adhesion, 1 side plain
Outside slip treat, Chem inside Treat
2 side Chem Treat
Outside Corona Treated
2 side treat adhesion promoting
Outside treat adhesion promoting
No Treatment
1 Side Adhesion Promoting
Outside treat adhesion promoting
No Treatment
No Treatment
1 side chem treat
1 Side Treated
Adhesion promoting outside
Adhesion promoting 2 sides
TWO SIDE COATED - INSIDE COATED WITH COLOR FILTER (NIR), DRUM SIDE INSIDE.OUTSIDE COATED WITH ANTISTAT/SLIP , AIR SIDE OUTSIDE
ONE SIDE (OUTSIDE) SLIP PRETREATED
STABILIZED FILM, UV STABILIZED, TWO SIDE SURLYN ADHESION PRETREATED
STABILIZED FILM, ONE SIDE (OUTSIDE) PU PRETREATED
COATED ON ONE SIDE FOR ADHESION
TWO-SIDE COATED USED FOR ANTI-GLARE/ANTI-FOG MEDICAL FACE SHIELD
HIGH CLARITY -STANDARD ADHESION PROMOTER OUTSIDE AND ANTISTATIC PROTECTION INSIDE . INTENDED FOR INK JET APPLICATIONS
HIGH CLARITY - COEXTRUDED B69 WITH NO PRETREATMENT ON THE B69 SURFACE. MUST BE WOUND WITH THE ADHESION SURFACE INSIDE
COEXTRUDED CONTAINING A UV ABSORBER WITH RHOPLEX INSIDE SURFACE. OUTSIDE NON COATED CO-EXTRUDED SURFACE
AB COEX FILM FOR PHOTOTOOL APPLICATIONS. ONE SIDE PROVIDES SLIP/SHEETING ATTRIBUTES. OTHER SIDE IS UNTREATED.
COEXTRUDED UV ABSORBER . INSIDE IS ADHESION PRETREATED OUTSIDE IS COEXTRUDED
COEXTRUDED UV ABSORBERT-SUB INSIDE IS HIGH COAT WEIGHT RHOPLEX SURFACE OUTSIDE OF THE ROLL IS NON COATED COEXTRUDED
BOTH SIDES ARE PRETREATED W/ HEAVY WEIGHT RHOPLEX-3208 WITH SANTICIZER
High Opacity White Untreated

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Silicone treated
two side coated -clear and colorless B43 film
no treatment
Food Packaging 1 side coated, release inside
SUPER-CLEAR WITH C-SUB BOTH SIDES
Non Pretreated
lightly filled, 1 side adhesion, 1 side slip/antistat
lightly filled, 1 side slip/antistat
UV Stabilized 2 Side print adhesion
1 side print adhesion
1 Side chem for Adh, 1 side chem for print/PE extrusion
No Treatment
1 side anti-stat treatment, 1 side plain
1 Side print adhesion, 1 side plain
2 Side print adhesion
silicone adherable one side
silicone adherable both sides
2 Side print adhesion
1 Side print Treated, 1 side plain
1 Side corona treatment, 1 side plain
1 Side corona treatment, 1 side print adhesion
No Treatment
1 side anti-stat treatment, 1 side plain
1 Side print adhesion, 1 side plain
2 Side print adhesion
2 Side adhesion
1 Side print adhesion, 1 side plain
1 or 2 side silicone adherable, dyne of 50 to 55
1 Side print Treated, 1 side plain
1 Side corona treatment, 1 side plain
No Treatment
Both sides treated for Ink adhesion
1 side slip and adhesion, 1 side plain
1 side silicone adherable
silicone adherable both sides
1 side slip treated, 1 side plain
No Treatment
Both sides slip treated
Both sides anti-stat
1 side print adhesion, 1 side plain
Both sides print adhesion
1 side print adhesion, 1 side anti-stat
1 side anti-stat treatment, 1 side plain
1 side print adhesion, 1 side plain
Both sides print adhesion
Both sides print adhesion
Both sides print adhesion
1 side slip treated, 1 side plain
1 side print adhesion, 1 side slip treated
Plain both sides
No Treatment
1 Side adhesion, 1 side plain
1 sile slip, 1 side plain

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No Treatment
1 Side Print Adh
No Treatment
Both sides print adhesion
No Treatment
Both sides print adhesion
1 sides cold seal release 1 side adhesion
1 side Adh (copoly)/ 1 side plain with high cof
no treatment
1 side anti-stat treatment, 1 side plain
1 side Slip , 1 side cold seal
1 side Slip , 1 side plain
2 side slip modified
2 side slip modified
1 sides cold seal release 1 side plain
1 side cold seal release 1 side slip/Adh
Anti-Fog both sides
1 sides slip & anti-stat 1 side slip,anti-stat & adhesion
2 sides adhesion and slip
1 side slip and adhesion, 1 side plain
1 side slip treated, 1 side plain
1 side slip , 1 side plain
1 side slip treated, 1 side plain
Both sides slip treated
No Treatment
1 side adhesion and slip, 1 side plain
1 Side Slip 1 Side Slip/release
2 Side print adhesion
2 side slip
1 side print adhesion, 1 side slip treated
1 Side Silicone Coated
Slip Modified surface
1 sides cold seal release 1 side adhesion
1 side Slip , 1 side plain
1 sides cold seal release 1 side adhesion
Both sides adhesion
No Treatment
No Treatment
1 Side Enhanced for Print, 1 plain
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment

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Product	Alias'	Vendor
777		3M
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862		3M
870		3M
990		3M
DS1		DuPont
DS2		DuPont
DSCW		DuPont
054		DuPont
ST504		DuPont
XPCR		DuPont
XPCRP		DuPont
ARS		DuPont
A		DuPont
S		DuPont
822		DuPont
X6615		DuPont
XST661		DuPont
X66550		DuPont
X6528		DuPont
X6574		DuPont
XST6557		DuPont
XST6573		DuPont
XST6580		DuPont
X6581		DuPont
X6550		DuPont
568		DuPont
625		DuPont
626		DuPont
XST6632		DuPont
XST6646		DuPont
X6570		DuPont
627		DuPont
628		DuPont
727		DuPont
927W		DuPont

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7074		DuPont
RSX631		DuPont
X635		DuPont
808H		DuPont
834		DuPont
X6554		DuPont
X6537		DuPont
X6563		DuPont
X6566		DuPont
X6576		DuPont
X689TOP		DuPont
X842		DuPont
1320	2000, 2364	Mitsubishi
1327		Mitsubishi
1328		Mitsubishi
1329		Mitsubishi
132B		Mitsubishi
132C		Mitsubishi
132F		Mitsubishi
132R		Mitsubishi
132T		Mitsubishi
132Z		Mitsubishi
1360	2240N, 2440N, 2261N, 2262N	Mitsubishi
1367		Mitsubishi
1368	2600N, 2601N, 2602N, 2604N, 2609N, 2MAIN	Mitsubishi
1369	2662N,	Mitsubishi
136Q		Mitsubishi
136B	2GB1N	Mitsubishi
136C	3SAB, 3SAC, 2SAB, 2SAC	Mitsubishi
136R	2CSRN	Mitsubishi
136T		Mitsubishi
1330	3901, 3915, 3955	Mitsubishi
1334		Mitsubishi
3LD4		Mitsubishi
133B		Mitsubishi
133C		Mitsubishi
133M		Mitsubishi
1340		Mitsubishi
1341		Mitsubishi
1342		Mitsubishi
1344	4407, 4WB4	Mitsubishi
1345	4507, 4WB5, 4WP5	Mitsubishi
1346		Mitsubishi
1347		Mitsubishi
1348		Mitsubishi
1349		Mitsubishi
134J		Mitsubishi
134L		Mitsubishi
134M	43M7, 43SM	Mitsubishi
134P	4LAP	Mitsubishi
135A		Mitsubishi
13C4		Mitsubishi
13C8		Mitsubishi
13D2		Mitsubishi

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13M0		Mitsubishi
13MR	MT0R	Mitsubishi
13V0		Mitsubishi
13VQ		Mitsubishi
13W0	W270	Mitsubishi
13WQ	W54B	Mitsubishi
2LRLN		Mitsubishi
2RD6N	SX6643	Mitsubishi
2262N		Mitsubishi
4707		Mitsubishi
4CRL		Mitsubishi
4TLM		Mitsubishi
4TLON	SX646	Mitsubishi
4TLSN		Mitsubishi
SD4C		Mitsubishi
SD4C1		Mitsubishi
SD4F		Mitsubishi
SD4G		Mitsubishi
SD4H		Mitsubishi
SD4I		Mitsubishi
SD72	7211, 7333	Mitsubishi
SDD2	7333UV	Mitsubishi
SDN2	EH5WF1, 5000	Mitsubishi
SDNJ	EH5WF2, N55C, N511	Mitsubishi
SX242		Mitsubishi
SX2421		Mitsubishi
SX2423		Mitsubishi
SX4461	4DISHN	Mitsubishi
SX646	4TLON	Mitsubishi
SX6466	4465N	Mitsubishi
SX62	2ECKN	Mitsubishi
SX664	2VC4N	Mitsubishi
SX6K		Mitsubishi
SX82		Mitsubishi
SX6R		Mitsubishi
SXN5		Mitsubishi
U60		Toray
PA66		Toray
PA10	PA1K	Toray
U80		Toray
F7R		Toray
FA6		Toray
XM30		Toray
F65		Toray
PA25		Toray
QS51		Toray

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Clarity	Treatment
medium Haze	
Low Haze	
Low Haze	
Low Haze	
medium Haze	
High Clarity	
Clear	
Clear	
High Clarity 1%	
High Clarity	
Crystal Clear	
medium Haze 3-6%	
medium Haze 3-6%	
Lo Clarity	
Lo Clarity (48g MED)	
low haze	
	1ST
	NT
	2ST
	1ST
	1ST
	NT
Haze 3% - 7%	1ST
Haze 3% - 7%	
White Opaque Film	

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Hi Clarity - Lo gloss	
Moderate Haze	
Clear	2ST
	1ST
	NT
Clear	1ST
	NT
Hi Clarity	
Clear	1ST
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Medium Haze <2.7%	
Clear (Med)	
Clear (Med)	
Moderate Haze	
Low Haze	
Low Haze-	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Clear	
Clear	
Clear	
Ultra Clear	
Ultra Clear	
Clear	
Clear	
Clear	
Clear	
Clear	
Clear	
Ultra Clear	
Ultra Clear	
Clear	
Transition Polymer/Haze varies	
Moderate Haze	
Clear	

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Matte film	
Matte film	Medium Gloss
White Voided/Translucent Film	
White Voided/Translucent Film	
White Opaque Film	
White Opaque Film	
Clear (MED)	
Moderate Haze 3%	
Moderate Haze	
Ultra Clear	
Ultra Clear	
Ultra Clear	
High-Med Clarity	
Ultra Clear	
Ultra Clear	
Ultra Clear .6 - 1.0 %	
Clear	
Clear	
Clear	
Clear	
Ultra Clear	
UC 1% Haze	
Ultra Clear	
Hi Clarity	
Clear	
Clear	
High Clarity	(R) side is acrylic, (6) side is co-poly
Hi - Med Clarity 2.5% (92g)	
Hi Clarity 1.8%	
Med	
medium Haze 3%	
Moderate Haze	
Ultra Clear	
Moderate Haze	
Ultra Clear	
Medium	

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Treatment Type
No Treatment
Corona Treat outside
Corona Treat or No treat
Corona Treat or No treat
Corona Treat or No treat
1 Side print adhesion, 1 side plain
Outside slip treat, Chem inside Treat
2 side Chem Treat
Outside Corona Treated
2 side treat adhesion promoting
Outside treat adhesion promoting
No Treatment
1 Side Adhesion Promoting
Outside treat adhesion promoting
No Treatment
No Treatment
1 side chem treat
1 Side Treated
Adhesion promoting outside
Adhesion promoting 2 sides
TWO SIDE COATED - INSIDE COATED WITH COLOR FILTER (NIR), DRUM SIDE INSIDE OUTSIDE COATED WITH ANTISTAT/SLIP , AIR SIDE OUTSIDE
ONE SIDE (OUTSIDE) SLIP PRETREATED
STABILIZED FILM, UV STABILIZED, TWO SIDE SURLYN ADHESION PRETREATED
STABILIZED FILM, ONE SIDE (OUTSIDE) PU PRETREATED
COATED ON ONE SIDE FOR ADHESION
TWO-SIDE COATED USED FOR ANTI-GLARE/ANTI-FOG MEDICAL FACE SHIELD
HIGH CLARITY -STANDARD ADHESION PROMOTER OUTSIDE AND ANTISTATIC PROTECTION INSIDE . INTENDED FOR INK JET APPLICATIONS
HIGH CLARITY - COEXTRUDED B69 WITH NO PRETREATMENT ON THE B69 SURFACE. MUST BE WOUND WITH THE ADHESION SURFACE INSIDE
COEXTRUDED CONTAINING A UV ABSORBER WITH RHOPLEX INSIDE SURFACE. OUTSIDE NON COATED CO-EXTRUDED SURFACE.
AB COEX FILM FOR PHOTOTOOL APPLICATIONS. ONE SIDE PROVIDES SLIP/SHEETING ATTRIBUTES. OTHER SIDE IS UNTREATED.
COEXTRUDED UV ABSORBER . INSIDE IS ADHESION PRETREATED OUTSIDE IS COEXTRUDED
COEXTRUDED UV ABSORBERT-SUB. INSIDE IS HIGH COAT WEIGHT RHOPLEX SURFACE OUTSIDE OF THE ROLL IS NON COATED COEXTRUDED
BOTH SIDES ARE PRETREATED W/ HEAVY WEIGHT RHOPLEX-3208 WITH SANTICIZER
High Opacity White Untreated

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Silicone treated
two side coated -clear and colorless B43 film
no treatment
Food Packaging 1 side coated, release inside
SUPER-CLEAR WITH C-SUB BOTH SIDES
Non Pretreated
lightly filled, 1 side adhesion, 1 side slip/antistat
lightly filled, 1 side slip/antistat
UV Stabilized 2 Side print adhesion
1 side print adhesion
1 Side chem for Adh, 1 side chem for print/PE extrusion
No Treatment
1 side anti-stat treatment, 1 side plain
1 Side print adhesion, 1 side plain
2 Side print adhesion
silicone adherable one side
silicone adherable both sides
2 Side print adhesion
1 Side print Treated, 1 side plain
1 Side corona treatment, 1 side plain
1 Side corona treatment, 1 side print adhesion
No Treatment
1 side anti-stat treatment, 1 side plain
1 Side print adhesion, 1 side plain
2 Side print adhesion
2 Side adhesion
1 Side print adhesion, 1 side plain
1 or 2 side silicone adherable, dyne of 50 to 55
1 Side print Treated, 1 side plain
1 Side corona treatment, 1 side plain
No Treatment
Both sides treated for Ink adhesion
1 side slip and adhesion, 1 side plain
1 side silicone adherable
silicone adherable both sides
1-side slip treated, 1 side plain
No Treatment
Both sides slip treated
Both sides anti-stat
1 side print adhesion, 1 side plain
Both sides print adhesion
1 side print adhesion, 1 side anti-stat
1 side anti-stat treatment, 1 side plain
1 side print adhesion, 1 side plain
Both sides print adhesion
Both sides print adhesion
Both sides print adhesion
1 side slip treated, 1 side plain
1 side print adhesion, 1 side slip treated
Plain both sides
No Treatment
1 Side adhesion, 1 side plain
1 sile slip, 1 side plain

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No Treatment
1 Side Print Adh
No Treatment
Both sides print adhesion
No Treatment
Both sides print adhesion
1 sides cold seal release 1 side adhesion
1 side Adh (copoly)/ 1 side plain with high cof
no treatment
1 side anti-stat treatment, 1 side plain
1 side Slip , 1 side cold seal
1 side Slip , 1 side plain
2 side slip modified
2 side slip modified
1 sides cold seal release 1 side plain
1 side cold seal release 1 side slip/Adh
Anti-Fog both sides
1 sides slip & anti-stat 1 side slip,anti-stat & adhesion
2 sides adhesion and slip
1 side slip and adhesion, 1 side plain
1 side slip treated, 1 side plain
1 side slip , 1 side plain
1 side slip treated, 1 side plain
Both sides slip treated
No Treatment
1 side adhesion and slip, 1 side plain
1 Side Slip 1 Side Slip/release
2 Side print adhesion
2 side slip
1 side print adhesion, 1 side slip treated
1 Side Silicone Coated
Slip Modified surface
1 sides cold seal release 1 side adhesion
1 side Slip , 1 side plain
1 sides cold seal release 1 side adhesion
Both sides adhesion
No Treatment
No Treatment
1 Side Enhanced for Print, 1 plain
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment

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Product	Alias'	Vendor
777		3M
890		3M
860		3M
862		3M
870		3M
990		3M
DS1		DuPont
DS2		DuPont
DSCW		DuPont
054		DuPont
ST504		DuPont
XPCR		DuPont
XPCRP		DuPont
ARS		DuPont
A		DuPont
S		DuPont
822		DuPont
X6615		DuPont
XST661		DuPont
X66550		DuPont
X6528		DuPont
X6574		DuPont
XST6557		DuPont
XST6573		DuPont
XST6580		DuPont
X6581		DuPont
X6550		DuPont
568		DuPont
625		DuPont
626		DuPont
XST6632		DuPont
XST6646		DuPont
X6570		DuPont
627		DuPont
628		DuPont
727		DuPont
927W		DuPont

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http://www.simpopdf.com

7074		DuPont
RSX631		DuPont
X635		DuPont
808H		DuPont
834		DuPont
X6554		DuPont
X6537		DuPont
X6563		DuPont
X6566		DuPont
X6576		DuPont
X689TOP		DuPont
X842		DuPont
1320	2000, 2364	Mitsubishi
1327		Mitsubishi
1328		Mitsubishi
1329		Mitsubishi
132B		Mitsubishi
132C		Mitsubishi
132F		Mitsubishi
132R		Mitsubishi
132T		Mitsubishi
132Z		Mitsubishi
1360	2240N, 2440N, 2261N, 2262N	Mitsubishi
1367		Mitsubishi
1368	2600N, 2601N, 2602N, 2604N, 2609N, 2MAIN	Mitsubishi
1369	2662N,	Mitsubishi
136Q		Mitsubishi
136B	2GB1N	Mitsubishi
136C	3SAB, 3SAC, 2SAB, 2SAC	Mitsubishi
136R	2CSRN	Mitsubishi
136T		Mitsubishi
1330	3901, 3915, 3955	Mitsubishi
1334		Mitsubishi
3LD4		Mitsubishi
133B		Mitsubishi
133C		Mitsubishi
133M		Mitsubishi
1340		Mitsubishi
1341		Mitsubishi
1342		Mitsubishi
1344	4407, 4WB4	Mitsubishi
1345	4507, 4WB5, 4WP5	Mitsubishi
1346		Mitsubishi
1347		Mitsubishi
1348		Mitsubishi
1349		Mitsubishi
134J		Mitsubishi
134L		Mitsubishi
134M	43M7, 43SM	Mitsubishi
134P	4LAP	Mitsubishi
135A		Mitsubishi
13C4		Mitsubishi
13C8		Mitsubishi
13D2		Mitsubishi

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13M0		Mitsubishi
13MR	MT0R	Mitsubishi
13V0		Mitsubishi
13VQ		Mitsubishi
13W0	W270	Mitsubishi
13WQ	W54B	Mitsubishi
2LRLN		Mitsubishi
2RD6N	SX6643	Mitsubishi
2262N		Mitsubishi
4707		Mitsubishi
4CRL		Mitsubishi
4TLM		Mitsubishi
4TLON	SX646	Mitsubishi
4TLSN		Mitsubishi
SD4C		Mitsubishi
SD4C1		Mitsubishi
SD4F		Mitsubishi
SD4G		Mitsubishi
SD4H		Mitsubishi
SD4I		Mitsubishi
SD72	7211, 7333	Mitsubishi
SDD2	7333UV	Mitsubishi
SDN2	EH5WF1, 5000	Mitsubishi
SDNJ	EH5WF2, N55C, N511	Mitsubishi
SX242		Mitsubishi
SX2421		Mitsubishi
SX2423		Mitsubishi
SX4461	4DISHN	Mitsubishi
SX646	4TLON	Mitsubishi
SX6466	4465N	Mitsubishi
SX62	2ECKN	Mitsubishi
SX664	2VC4N	Mitsubishi
SX6K		Mitsubishi
SX82		Mitsubishi
SX6R		Mitsubishi
SXN5		Mitsubishi
U60		Toray
PA66		Toray
PA10	PA1K	Toray
U80		Toray
F7R		Toray
FA6		Toray
XM30		Toray
F65		Toray
PA25		Toray
QS51		Toray

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Clarity	Treatment
medium Haze	
Low Haze	
Low Haze	
Low Haze	
medium Haze	
High Clarity	
Clear	
Clear	
High Clarity 1%	
High Clarity	
Crystal Clear	
medium Haze 3-6%	
medium Haze 3-6%	
Lo Clarity	
Lo Clarity (48g MED)	
low haze	
	1ST
	NT
	2ST
	1ST
	1ST
	NT
Haze 3% - 7%	1ST
Haze 3% - 7%	
White Opaque Film	

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Hi Clarity - Lo gloss	
Moderate Haze	
Clear	2ST
	1ST
	NT
Clear	1ST
	NT
Hi Clarity	
Clear	1ST
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Medium Haze <2.7%	
Clear (Med)	
Clear (Med)	
Moderate Haze	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Clear	
Clear	
Clear	
Ultra Clear	
Ultra Clear	
Clear	
Clear	
Clear	
Clear	
Clear	
Clear	
Ultra Clear	
Ultra Clear	
Clear	
Transition Polymer/Haze vanes	
Moderate Haze	
Clear	

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Matte film	
Matte film	Medium Gloss
White Voided/Translucent Film	
White Voided/Translucent Film	
White Opaque Film	
White Opaque Film	
Clear (MED)	
Moderate Haze 3%	
Moderate Haze	
Ultra Clear	
Ultra Clear	
Ultra Clear	
High-Med Clarity	
Ultra Clear	
Ultra Clear	
Ultra Clear .6 - 1.0 %	
Clear	
Clear	
Clear	
Clear	
Ultra Clear	
UC 1% Haze	
Ultra Clear	
Hi Clarity	
Clear	
Clear	
High Clarity	(R) side is acrylic, (6) side is co-poly
Hi - Med Clarity 2 5% (92g)	
Hi Clarity 1.8%	
Med	
medium Haze 3%	
Moderate Haze	
Ultra Clear	
Moderate Haze	
Ultra Clear	
Medium	

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Treatment Type
No Treatment
Corona Treat outside
Corona Treat or No treat
Corona Treat or No treat
Corona Treat or No treat
1 Side print adhesion, 1 side plain
Outside slip treat, Chem inside-Treat
2 side Chem Treat
Outside Corona Treated
2 side treat adhesion promoting
Outside treat adhesion promoting
No Treatment
1 Side Adhesion Promoting
Outside treat adhesion promoting
No Treatment
No Treatment
1 side chem treat
1 Side Treated
Adhesion promoting outside
Adhesion promoting 2 sides
TWO SIDE COATED - INSIDE COATED WITH COLOR FILTER (NIR), DRUM SIDE INSIDE.OUTSIDE COATED WITH ANTISTAT/SLIP , AIR SIDE OUTSIDE
ONE SIDE (OUTSIDE) SLIP PRETREATED
STABILIZED FILM, UV STABILIZED, TWO SIDE SURLYN ADHESION PRETREATED
STABILIZED FILM, ONE SIDE (OUTSIDE) PU PRETREATED
COATED ON ONE SIDE FOR ADHESION
TWO-SIDE COATED USED FOR ANTI-GLARE/ANTI-FOG MEDICAL FACE SHIELD
HIGH CLARITY -STANDARD ADHESION PROMOTER OUTSIDE AND ANTISTATIC PROTECTION INSIDE . INTENDED FOR INK JET APPLICATIONS
HIGH CLARITY - COEXTRUDED B69 WITH NO PRETREATMENT ON THE B69 SURFACE. MUST BE WOUND WITH THE ADHESION SURFACE INSIDE
COEXTRUDED CONTAINING A UV ABSORBER WITH RHOPLEX INSIDE SURFACE. OUTSIDE NON COATED CO-EXTRUDED SURFACE.
AB COEX FILM FOR PHOTOTOOL APPLICATIONS. ONE SIDE PROVIDES SLIP/SHEETING ATTRIBUTES. OTHER SIDE IS UNTREATED.
COEXTRUDED UV ABSORBER INSIDE IS ADHESION PRETREATED OUTSIDE IS COEXTRUDED
COEXTRUDED UV ABSORBERT-SUB. INSIDE IS HIGH COAT WEIGHT RHOPLEX SURFACE. OUTSIDE OF THE ROLL IS NON COATED COEXTRUDED
BOTH SIDES ARE PRETREATED W/ HEAVY WEIGHT RHOPLEX-3208 WITH SANTICIZER
High Opacity White Untreated

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Silicone treated
two side coated -clear and colorless B43 film
no treatment
Food Packaging 1 side coated, release inside
SUPER-CLEAR WITH C-SUB BOTH SIDES
Non Pretreated
lightly filled, 1 side adhesion, 1 side slip/antistat
lightly filled, 1 side slip/antistat
UV Stabilized 2 Side print adhesion
1 side print adhesion
1 Side chem for Adh, 1 side chem for print/PE extrusion
No Treatment
1 side anti-stat treatment, 1 side plain
1 Side print adhesion, 1 side plain
2 Side print adhesion
silicone adherable one side
silicone adherable both sides
2 Side print adhesion
1 Side print Treated, 1 side plain
1 Side corona treatment, 1 side plain
1 Side corona treatment, 1 side print adhesion
No Treatment
1 side anti-stat treatment, 1 side plain
1 Side print adhesion, 1 side plain
2 Side print adhesion
2 Side adhesion
1 Side print adhesion, 1 side plain
1 or 2 side silicone adherable, dyne of 50 to 55
1 Side print Treated, 1 side plain
1 Side corona treatment, 1 side plain
No Treatment
Both sides treated for Ink adhesion
1 side slip and adhesion, 1 side plain
1 side silicone adherable
silicone adherable both sides
1 side slip treated, 1 side plain
No Treatment
Both sides slip treated
Both sides anti-stat
1 side print adhesion, 1 side plain
Both sides print adhesion
1 side print adhesion, 1 side anti-stat
1 side anti-stat treatment, 1 side plain
1 side print adhesion, 1 side plain
Both sides print adhesion
Both sides print adhesion
Both sides print adhesion
1 side slip treated, 1 side plain
1 side print adhesion, 1 side slip treated
Plain both sides
No Treatment
1 Side adhesion, 1 side plain
1 sile slip, 1 side plain

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No Treatment
1 Side Print Adh
No Treatment
Both sides print adhesion
No Treatment
Both sides print adhesion .
1 sides cold seal release 1 side adhesion
1 side Adh (copoly)/ 1 side plain with high cof
no treatment
1 side anti-stat treatment, 1 side plain
1 side Slip , 1 side cold seal
1 side Slip , 1 side plain
2 side slip modified
2 side slip modified
1 sides cold seal release 1 side plain
1 side cold seal release 1 side slip/Adh
Anti-Fog both sides
1 sides slip & anti-stat 1 side slip,anti-stat & adhesion
2 sides adhesion and slip
1 side slip and adhesion, 1 side plain
1 side slip treated, 1 side plain
1 side slip , 1 side plain
1 side slip treated, 1 side plain
Both sides slip treated
No Treatment
1 side adhesion and slip, 1 side plain
1 Side Slip 1 Side Slip/release
2 Side print adhesion
2 side slip
1 side print adhesion, 1 side slip treated
1 Side Silicone Coated
Slip Modified surface
1 sides cold seal release 1 side adhesion
1 side Slip , 1 side plain
1 sides cold seal release 1 side adhesion
Both sides adhesion
No Treatment
No Treatment
1 Side Enhanced for Print, 1 plain
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment

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Product	Alias'	Vendor
777		3M
890		3M
860		3M
862		3M
870		3M
990		3M
DS1		DuPont
DS2		DuPont
DSCW		DuPont
054		DuPont
ST504		DuPont
XPCR		DuPont
XPCRP		DuPont
ARS		DuPont
A		DuPont
S		DuPont
822		DuPont
X6615		DuPont
XST661		DuPont
X66550		DuPont
X6528		DuPont
X6574		DuPont
XST6557		DuPont
XST6573		DuPont
XST6580		DuPont
X6581		DuPont
X6550		DuPont
568		DuPont
625		DuPont
626		DuPont
XST6632		DuPont
XST6646		DuPont
X6570		DuPont
627		DuPont
628		DuPont
727		DuPont
927W		DuPont

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7074		DuPont
RSX631		DuPont
X635		DuPont
808H		DuPont
834		DuPont
X6554		DuPont
X6537		DuPont
X6563		DuPont
X6566		DuPont
X6576		DuPont
X689TOP		DuPont
X842		DuPont
1320	2000, 2364	Mitsubishi
1327		Mitsubishi
1328		Mitsubishi
1329		Mitsubishi
132B		Mitsubishi
132C		Mitsubishi
132F		Mitsubishi
132R		Mitsubishi
132T		Mitsubishi
132Z		Mitsubishi
1360	2240N, 2440N, 2261N, 2262N	Mitsubishi
1367		Mitsubishi
1368	2600N, 2601N, 2602N, 2604N, 2609N, 2MAIN	Mitsubishi
1369	2662N,	Mitsubishi
136Q		Mitsubishi
136B	2GB1N	Mitsubishi
136C	3SAB, 3SAC, 2SAB, 2SAC	Mitsubishi
136R	2CSRN	Mitsubishi
136T		Mitsubishi
1330	3901, 3915, 3955	Mitsubishi
1334		Mitsubishi
3LD4		Mitsubishi
133B		Mitsubishi
133C		Mitsubishi
133M		Mitsubishi
1340		Mitsubishi
1341		Mitsubishi
1342		Mitsubishi
1344	4407, 4WB4	Mitsubishi
1345	4507, 4WB5, 4WP5	Mitsubishi
1346		Mitsubishi
1347		Mitsubishi
1348		Mitsubishi
1349		Mitsubishi
134J		Mitsubishi
134L		Mitsubishi
134M	43M7, 43SM	Mitsubishi
134P	4LAP	Mitsubishi
135A		Mitsubishi
13C4		Mitsubishi
13C8		Mitsubishi
13D2		Mitsubishi

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13M0		Mitsubishi
13MR	MT0R	Mitsubishi
13V0		Mitsubishi
13VQ		Mitsubishi
13W0	W270	Mitsubishi
13WQ	W54B	Mitsubishi
2LRLN		Mitsubishi
2RD6N	SX6643	Mitsubishi
2262N		Mitsubishi
4707		Mitsubishi
4CRL		Mitsubishi
4TLM		Mitsubishi
4TLON	SX646	Mitsubishi
4TLSN		Mitsubishi
SD4C		Mitsubishi
SD4C1		Mitsubishi
SD4F		Mitsubishi
SD4G		Mitsubishi
SD4H		Mitsubishi
SD4I		Mitsubishi
SD72	7211, 7333	Mitsubishi
SDD2	7333UV	Mitsubishi
SDN2	EH5WF1, 5000	Mitsubishi
SDNJ	EH5WF2, N55C, N511	Mitsubishi
SX242		Mitsubishi
SX2421		Mitsubishi
SX2423		Mitsubishi
SX4461	4DISHN	Mitsubishi
SX646	4TLON	Mitsubishi
SX6466	4465N	Mitsubishi
SX62	2ECKN	Mitsubishi
SX664	2VC4N	Mitsubishi
SX6K		Mitsubishi
SX82		Mitsubishi
SX6R		Mitsubishi
SXN5		Mitsubishi
U60		Toray
PA66		Toray
PA10	PA1K	Toray
U80		Toray
F7R		Toray
FA6		Toray
XM30		Toray
F65		Toray
PA25		Toray
QS51		Toray

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Clarity	Treatment
medium Haze	
Low Haze	
Low Haze	
Low Haze	
medium Haze	
High Clarity	
Clear	
Clear	
High Clarity 1%	
High Clarity	
Crystal Clear	
medium Haze 3-6%	
medium Haze 3-6%	
Lo Clarity	
Lo Clarity (48g MED)	
low haze	
	1ST
	NT
	2ST
	1ST
	1ST
	NT
Haze 3% - 7%	1ST
Haze 3% - 7%	
White Opaque Film	

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Hi Clarity - Lo gloss	
Moderate Haze	
Clear	2ST
	1ST
	NT
Clear	1ST
	NT
Hi Clarity	
Clear	1ST
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Moderate Haze	
Medium Haze <2.7%	
Clear (Med)	
Clear (Med)	
Moderate Haze	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Low Haze	
Clear	
Clear	
Clear	
Ultra Clear	
Ultra Clear	
Clear	
Clear	
Clear	
Clear	
Clear	
Clear	
Ultra Clear	
Ultra Clear	
Clear	
Transition Polymer/Haze varies	
Moderate Haze	
Clear	

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Matte film	
Matte film	Medium Gloss
White Voided/Translucent Film	
White Voided/Translucent Film	
White Opaque Film	
White Opaque Film	
Clear (MED)	
Moderate Haze 3%	
Moderate Haze	
Ultra Clear	
Ultra Clear	
Ultra Clear	
High-Med Clarity	
Ultra Clear	
Ultra Clear	
Ultra Clear .6 - 1.0 %	
Clear	
Clear	
Clear	
Clear	
Ultra Clear	
UC 1% Haze	
Ultra Clear	
Hi Clarity	
Clear	
Clear	
High Clarity	(R) side is acrylic, (6) side is co-poly
Hi - Med Clarity 2 5% (92g)	
Hi Clarity 1 8%	
Med	
medium Haze 3%	
Moderate Haze	
Ultra Clear	
Moderate Haze	
Ultra Clear	
Medium	

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Treatment Type
No Treatment
Corona Treat outside
Corona Treat or No treat
Corona Treat or No treat
Corona Treat or No treat
1 Side print adhesion, 1 side plain
Outside slip treat, Chem inside Treat
2 side Chem Treat
Outside Corona Treated
2 side treat adhesion promoting
Outside treat adhesion promoting
No Treatment
1 Side Adhesion Promoting
Outside treat adhesion promoting
No Treatment
No Treatment
1 side chem treat
1 Side Treated
Adhesion promoting outside
Adhesion promoting 2 sides
TWO SIDE COATED - INSIDE COATED WITH COLOR FILTER (NIR), DRUM SIDE INSIDE OUTSIDE COATED WITH ANTISTAT/SLIP , AIR SIDE OUTSIDE
ONE SIDE (OUTSIDE) SLIP PRETREATED
STABILIZED FILM, UV STABILIZED, TWO SIDE SURLYN ADHESION PRETREATED
STABILIZED FILM, ONE SIDE (OUTSIDE) PU PRETREATED
COATED ON ONE SIDE FOR ADHESION
TWO-SIDE COATED USED FOR ANTI-GLARE/ANTI-FOG MEDICAL FACE SHIELD
HIGH CLARITY -STANDARD ADHESION PROMOTER OUTSIDE AND ANTISTATIC PROTECTION INSIDE . INTENDED FOR INK JET APPLICATIONS
HIGH CLARITY - COEXTRUDED B69 WITH NO PRETREATMENT ON THE B69 SURFACE. MUST BE WOUND WITH THE ADHESION SURFACE INSIDE
COEXTRUDED CONTAINING A UV ABSORBER WITH RHOPLEX INSIDE SURFACE. OUTSIDE NON COATED CO-EXTRUDED SURFACE
AB COEX FILM FOR PHOTOTOOL APPLICATIONS ONE SIDE PROVIDES SLIP/SHEETING ATTRIBUTES. OTHER SIDE IS UNTREATED.
COEXTRUDED UV ABSORBER . INSIDE IS ADHESION PRETREATED OUTSIDE IS COEXTRUDED
COEXTRUDED UV ABSORBERT-SUB. INSIDE IS HIGH COAT WEIGHT RHOPLEX SURFACE. OUTSIDE OF THE ROLL IS NON COATED COEXTRUDED
BOTH SIDES ARE PRETREATED W/ HEAVY WEIGHT RHOPLEX-3208 WITH SANTICIZER
High Opacity White Untreated

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Silicone treated
two side coated -clear and colorless B43 film
no treatment
Food Packaging 1 side coated, release inside
SUPER-CLEAR WITH C-SUB BOTH SIDES
Non Pretreated
lightly filled, 1 side adhesion, 1 side slip/antistat
lightly filled, 1 side slip/antistat
UV Stabilized 2 Side print adhesion
1 side print adhesion
1 Side chem for Adh, 1 side chem for print/PE extrusion
No Treatment
1 side anti-stat treatment, 1 side plain
1 Side print adhesion, 1 side plain
2 Side print adhesion
silicone adherable one side
silicone adherable both sides
2 Side print adhesion
1 Side print Treated, 1 side plain
1 Side corona treatment, 1 side plain
1 Side corona treatment, 1 side print adhesion
No Treatment
1 side anti-stat treatment, 1 side plain
1 Side print adhesion, 1 side plain
2 Side print adhesion
2 Side adhesion
1 Side print adhesion, 1 side plain
1 or 2 side silicone adherable, dyne of 50 to 55
1 Side print Treated, 1 side plain
1 Side corona treatment, 1 side plain
No Treatment
Both sides treated for Ink adhesion
1 side slip and adhesion, 1 side plain
1 side silicone adherable
silicone adherable both sides
1 side slip treated, 1 side plain
No Treatment
Both sides slip treated
Both sides anti-stat
1 side print adhesion, 1 side plain
Both sides print adhesion
1 side print adhesion, 1 side anti-stat
1 side anti-stat treatment; 1 side plain
1 side print adhesion, 1 side plain
Both sides print adhesion
Both sides print adhesion
Both sides print adhesion
1 side slip treated, 1 side plain
1 side print adhesion, 1 side slip treated
Plain both sides
No Treatment
1 Side adhesion, 1 side plain
1 sile slip, 1 side plain

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No Treatment
1 Side Print Adh
No Treatment
Both sides print adhesion
No Treatment
Both sides print adhesion
1 sides cold seal release 1 side adhesion
1 side Adh (copoly)/ 1 side plain with high cof
no treatment
1 side anti-stat treatment, 1 side plain
1 side Slip , 1 side cold seal
1 side Slip , 1 side plain
2 side slip modified
2 side slip modified
1 sides cold seal release 1 side plain
1 side cold seal release 1 side slip/Adh
Anti-Fog both sides
1 sides slip & anti-stat 1 side slip,anti-stat & adhesion
2 sides adhesion and slip
1 side slip and adhesion, 1 side plain
1 side slip treated, 1 side plain
1 side slip , 1 side plain
1 side slip treated, 1 side plain
Both sides slip treated
No Treatment
1 side adhesion and slip, 1 side plain
1 Side Slip 1 Side Slip/release
2 Side print adhesion
2 side slip
1 side print adhesion, 1 side slip treated
1 Side Silicone Coated
Slip Modified surface
1 sides cold seal release 1 side adhesion
1 side Slip , 1 side plain
1 sides cold seal release 1 side adhesion
Both sides adhesion
No Treatment
No Treatment
1 Side Enhanced for Print, 1 plain
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment
No Treatment

Inventory Reduction Plan

Item ID:	98723
Subject:	Inventory Reduction Plan
From:	Namaste Consulting <namasteconsult@bellsouth.net>
To:	John Gandis <john@ccc-films.com>, Dave Wilson <dave@ccc-films.com>
Cc:	Higgins <jwh@ccc-films.com>
Sent:	August 12, 2011 1:37:07 PM EDT
Received:	August 12, 2011 1:37:00 PM EDT
Attachments:	2009 and 2010 inventory still on hand.xlsx, Inventory over safety net volume as of August 2011.xlsx, image002.jpg
Size:	89 KB (92,012 bytes)
Source:	Outlook.pst
Location:	Exported mail files/Outlook.pst/Top of Personal Folders/Sent Items
Duplicates:	2
Content Created:	August 12, 2011 12:36:02 PM EDT
Content Last Modified:	August 12, 2011 12:44:57 PM EDT
MIME Type:	message/rfc822
Content MIME Type:	text/plain
Character Set:	utf8
Language:	English
MD5 Hash:	c3b5b17dde963cb8c656c128b5470723
Message Hash:	0c26c0e8ea10590832fc253bfb55cc73
My tags:	Andrea_to_John_2011-12
Other's tags:	CCC, Dave Wilson, From namasteconsult@bellsouth.net, Gandis, Round 3B, To john@decotexllc.com or john@ccc-films com, To or From john@ccc-films com, inventory, namasteconsult@bellsouth.net

Gentleman – as you know – there are only a couple of months left in this year to implement the inventory reduction plan As no customers will buy any "unnecessary" product in November and December .. we really have about 3 ½ months to get our inventory levels down to "safety net" carrying amounts for year end – maybe even only 2 ½ months if we assume purchasing could start to slow in November.

I would suggest that safety net levels should not exceed 3 months sales for any category of inventory (that means, we have on hand as much inventory as we sold in the prior 3 months for that category of inventory. The spreadsheet above points out which categories of inventory exceed this level and I have marked in RED the items that are non-stock items that will likely take a dedicated plan to eliminate before year end (that is ... it is unlikely the customer is going to find us ... we are going to have to find them). For simplicity I left the 3 month level as the safety net for our most popular gauges .. but we really should NOT be holding 3 months of inventory for films like 200, 48, 92 and the like.

Attached you will find the OLD inventory – that is inventory that was acquired in a prior year that is still on hand. I want to make

certain that we have an exit plan for each of these rolls. For simplicity, I have removed all the rewinds from this tally ... as it may require a bit more lead time to get those rolls ready for sale.
This weight is just over 18% of our raw material inventory (that is – inventory excluding FG and RWs).
Finally – I would suggest that we also begin a tight clamp down on purchases between now and year end ... only buying the minimum amount needed in order to fulfill an order (or to restore a safety net level).
Let me know if there are any questions about the above or the attached.
Andrea
****To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice included in this written or electronic communication is not intended or written to be used, and it cannot be used by the taxpayer, for the purpose of avoiding any penalties that may be imposed on the taxpayer by any governmental taxing authority or agency*****
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Description: VistaPrint e-Card

Attachments

1. 2009 and 2010 inventory still on hand.xlsx

Type:	application/vnd.openxmlformats-officedocument.spreadsheetml.sheet
Size:	49 KB (50,388 bytes)

2. Inventory over safety net volume as of August 2011.xlsx

Type:	application/vnd.openxmlformats-officedocument.spreadsheetml.sheet
Size:	17 KB (17,418 bytes)

3. image002.jpg

Type:	image/jpeg
Size:	12 KB (13,242 bytes)

Attachment #1

2009 and 2010 inventory still on hand.xlsx

Original view

10 pages (displayed on pages 2424 to 2433)

oil Number	PET	Thickness	Color	IN	OUT	ɔerty/TreatnDyne In/Ou:	Mfg Alias	Status
14845	pet	36	clear	NO	CH	CH	PA10	A
14846	pet	36	clear	NO	CH	CH	PA10	A
14847	pet	36	clear	NO	CH	CH	PA10	A
15141	pet	36	clear	NO	CH	CH	PA10	A
12489	pet	36	clear	NO	CH	CH	PA10	b
12490	pET	36	clear	NO	CH	CH	PA10	b
12491	pET	36	clear	NO	CH	CH	PA10	b
1158	PET	36	SV					b
11589	PET	36	SV					A
11644	PET	36	SV					A
12154	PET	36	SV				met pet	A
12174	PET	36	SV				met pet	A
12178	PET	36	SV				met pet	A
12193	PET	36	SV				met pet	A
12197	PET	36	SV				met pet	A
12199	PET	36	SV				met pet	A
12200	PET	36	SV				met pet	A
12206	PET	36	SV				met pet	A
12220	PET	36	SV				met pet	A
12223	PET	36	SV				met pet	A
12234	PET	36	SV		cor	Corona	met pet	A
11072	PET	36	SV					b
11575	pet	36	SV					b
13512	pet	36	SV					b
		36 Total						
11069	PET	40	SV					b
12253	pet	40	SV					b
		40 Total						
14271	pet	44	clear		adh	adhesion	2600n	A
14278	pet	44	clear		adh	adhesion	2600n	A
15496	PET	44	Clear		Print	rint Adhesion	2600N	A
15502	pet	44	Clear		Print Adh	rint Adhesion	2600N	A
15504	pet	44	clear		Print Adh	rint Adhesion	2600N	A
15505	pet	44	clear		Print Adh	rint Adhesion	2600N	A
15507	pet	44	clear		Print Adh	rint Adhesion	2600N	A
15508	pet	44	clear		Print Adh	rint Adhesion	2600N	A
15509	pet	44	clear		Print Adh	rint Adhesion	2600N	A
15510	pet	44	clear		Print Adh	rint Adhesion	2600N	A
15511	pet	44	clear		Print Adh	rint Adhesion	2600N	A
15512	PET	44	Clear		Print Adh	rint Adhesion	2600N	A
14722	pet	44	clear		adh	adhesion	1368	b
12147	PET	44	SV				met pet	A
		44 Total						
8725	PET	48	clear					A
13241	pet	48	clear					a
14325	pet	48	clear	release	adh	ease/adhesion	2LRNLN	A
14329	pet	48	clear		adh	adhesion	2602N	A
14949	pet	48	clear		CH	CH	1368/2601N	A
15096	pet	48	clear				808H	A
15097	pet	48	clear				808H	A
15325	pet	48	clear		CH	CH	2600	A

15349	pet	48	clear	COR		Corona	891	A
15350	pet	48	clear	COR		Corona	891	A
r3003	pet	48	clear					A
r3004	pet	48	clear					A
15326	pet	48	clear		CH	CH	2600	b
15478	pet	48	clear					b
1401	PET	48	LO			sealable	PA25	b
12450	PET	48	LO			pvdc		A
10232	pet	48	LO					b
13904	pet	48	LO					b
14128	PP	48	LO					B
14132	pet	48	LO					B
14334	pet	48	LO				2602N/136	b
UNK	PET	48	LO					b
8556	PET	48	Smoke					b
8931	PET	48	Smoke					b
15544	PET	48	SV					A
4071	PET	48	SV					b
14232	pet	48	SV					b
		48 Total						
14471	pet	56	clear					A
14472	pet	56	clear					A
14473	pet	56	clear					A
15177	pet	56	clear				2SLKN	A
15178	pet	56	clear				2SLKN	A
		56 Total						
2757	PET	60	clear	Print		Print		A
13346	PET	60	clear	adh	adh	adhesion	D804	A
13732	pet	60	clear	adh	seal	dhesion/Seal	854	A
13733	pet	60	clear	adh	seal	dhesion/Seal	854	A
13759	pet	60	clear	adh	seal	dhesion/Seal	854	A
15545	NYL	60	clear					A
15546	NYL	60	clear					A
15547	NYL	60	clear					A
		60 Total						
3659	PET	65	clear					a
4085	BOPP	65	clear					A
8058	PET	65	clear		CH	CH		A
8067	PET	65	clear		CH	CH		A
10918	PET	65	clear					A
13236	PET	65	clear					a
		65 Total						
10339	BOPP	70	SV				PMX2	A
10503	BOPP	70	SV				PMX2	A
		70 Total						
15486	BOPP	72	clear					b
15487	BOPP	72	clear					b
		72 Total						
3627	PET	75	clear					A
14545	pet	75	clear	CH		CH	26UVN	A
11071	PET	75	SV					b
15908a	PET	75	SV			metpet		B
13301	WHT	75	white			CH	4377	A

13302	WHT	75	white			CH	4377	A
		75 Total						
2688	PET	92	clear					A
11376	PET	92	clear					A
13218	pet	92	clear				1360	a
15482	pet	92	clear		SIL	Silicone	XVCRL	A
11375	pet	92	clear					b
14447	pet	92	clear					b
4075	pet	92	Smoke					b
4089	PET	92	Smoke					b
4075A	pet	92	Smoke					B
2277	PET	92	SV					A
2279	PET	92	SV					A
2280	PET	92	SV					A
8387	PET	92	SV					A
8606	PET	92	SV					A
8607	PET	92	SV					A
8610	PET	92	SV					A
15908b	PET	92	SV			metpet		B
		92 Total						
12319	BOPP	120	clear				TT-30	A
		120 Total						
10000	PET	142	Clear				2VC4N	A
14185	pet	142	clear				134M	b
14911	pet	142	clear					b
15549	PET	142	clear					b
UNK	PET	142	clear					b
11296	PET	142	LO				1360	A
13749	pet	142	LO		adh	Adhesion	ARS	A
13755	pet	142	LO		adh	Adhesion	ARS	A
13756	pet	142	LO		adh	Adhesion	ARS	A
14465	pet	142	LO		adh	Adhesion	ARS	A
14466	pet	142	LO		adh	Adhesion	ARS	A
12252	PET	142	SV				met pet	A
12226	pet	142	SV					b
		142 Total						
15548	PET	148	clear	PVDC	AC	pvdc/ac	sbx-37	b
		148 Total						
13587	BOPP	170	HI					b
		170 Total						
1143	PET	200	clear					b
1149	PET	200	clear				35AC	b
3771	PET	200	clear					b
11943	PET	200	clear	NO	NO		134M	A
13896	pet	200	clear		slip	Slip	435M	a
14183	pet	200	clear				2262N	A
14184	pet	200	clear				2262N	A
14507	pet	200	clear		slip	slip	3901	A
14523	pet	200	clear		slip	slip	133M/3901	A
14524	pet	200	clear		slip	slip	133M.3901	A
14541	pet	200	clear				134M	A
15327	pet	200	clear				XST6573	A
15328	pet	200	clear					A

15329	pet	200	clear				XST6573	A
13217	pet	200	clear		slip	Slip	435m	a
4067	PET	200	clear					b
10759	pet	200	clear					b
10760	pet	200	clear					b
10778	BOPP	200	clear					b
13595	pet	200	clear					B
14763	pet	200	clear					b
14979	pet	200	clear					B
14980	pet	200	clear					B
14981	pet	200	clear					B
a1103	BOPP	200	clear					b
1644	PET	200	LO					A
8271	PET	200	LO				862	b
14023	pet	200	LO					b
12014	pet	200	med					b
12122	PET	200	SV				met pet	A
14969	pet	200	UC		CH	CH	4407	A
		200 Total						
2652	PET	300	clear		CH	CH	2262	A
2657	PET	300	clear			CH	2262	A
2665	PET	300	clear				U2000	b
13140	pet	300	clear					A
13686	pet	300	clear				2262n	a
13700	pet	300	clear				2000	A
13701	pet	300	clear				2000	A
13702	pet	300	clear				2000	A
13703	pet	300	clear				2000	A
13704	pet	300	clear				2000	A
13705	pet	300	clear				2000	A
13706	pet	300	clear				2000	A
13707	pet	300	clear				2000	A
13708	pet	300	clear				2000	A
13709	pet	300	clear				2000	A
13710	pet	300	clear				2000	A
13711	pet	300	clear				2000	A
13712	pet	300	clear				2000	A
13713	pet	300	clear				2000	A
13714	pet	300	clear				2000	A
10828	PET	300	clear					b
10597	PET	300	med					A
11208	WHT	300	white			White film	white	A
11287	PET	300	white				TI02	A
11288	WHT	300	white					A
10341	WHT	300	White			White film	white	b
8559A	WHT	300	White		matte	White film	PVC	b
8559B	WHT	300	White		matte	White film	PVC	b
		300 Total						
8587	PET	400	clear					A
10767	pET	400	clear					A
14133	pet	400	LO				PE	b
15116	pet	400	SV					a
		400 Total						
1403	PET	500	MED					A

500 Total
Grand Total

Rolls		OD	Width	Core OD	Net Weight	Specific
1			81	10	1,627.80	
1			81	10	1,627.80	
1			81	10	1,627.80	
1			81	10	1,203.20	
			20.0000	6	423.30	
			20.0000	6	423.30	
			20.0000	6	423.30	
			41.7300	6	91.00	
1			41.3	7	124.00	35
1			48.2	7	423.00	35
1			32.6	7	215.00	35
1			31.19	7	499.00	35
1			31.9	7	242.00	35
1			35.4	7	142.00	35
1			38.9	7	143.00	35
1			36.6	7	250.00	35
1			35	7	165 00	35
1			37.79	7	340 00	35
1			35.6	7	165.00	35
1			23.8	7	103.00	35
1			34.2	7	105 00	35
	1	14.75	32	7	211 80	35
			38.0000	6	123.00	35
			40.7500	6	600.00	35
					######	
	1	13.25	62	6	308.00	40
		15.25	40.0000	6	288.30	40
					596.30	
1			46.25	6	1,494.00	
1			46.25	6	1,493.00	
1			46.25	6	900	
1			46.25	6	1485	
1			46.25	6	871	
1			46.25	6	871	
1			46.25	6	900	
1			46.25	6	900	
1			46.25	6	1480	
1			46.25	6	1480	
1			46.25	6	871	
1			46.25	6	900	
			41.69	6	1,288.00	
1		12 3/8	37.75	7	154.40	45
					######	
		12.5	17 5/8	6	74.20	
1		14	45.5	7	262.70	
1			58.75	6	1,009.00	
1			60	6	973.00	
1			61	6	988.00	
1			48	10	830.00	
1			48	10	830.00	
1			49	6	282.00	

1		28.25	6	595.00	
1		28.25	6	595.00	47
1	11	48	4	197.90	
1	13	48	4	276.00	
		49	6	1,247.00	
	14.5	49.0000	6	310.30	50
		52.0000	6	906.70	
1	11.5	65.5	7	214.00	
	9.75	58.7500	6	106.30	
	17 5/8	22.0000	6	227.30	
1	14	53.1000	6	196.00	
1	15.5	53.0000	6	398.00	
	17.5	51.0000	6	515.20	47
	18	32.2500	6	348.30	
1	15	43.6250	6	301.50	
		35.8700	6	497.00	
	17 3/8	2.5-3	3	423.00	
	11	10.2500	3	41.20	
	22	11.6250	6		
				######	
1		57	6	375.00	
1		57	6	226.00	
1		57	6	561.90	
1		27	10	497.00	
1		27	10	497.00	
				######	
1	31.5	24.25	7	875.00	
1	28	59.75	11	1,735.01	
1		44.5	6	1,636.00	
1		48.5	6	1,783.00	
1		44.5	6	1,636.00	
	15 7/8	8	6	63.80	
	16.25	8	6	67.60	
	20 7/8	10	3	151.90	
				######	
	10	37.5	6	75.10	
	25 7/8	59 7/8	6	1,459.00	
1	22.5	41.5	7	745.20	
1	22	54	11	769.80	
1	23	27.5	7	496.00	
1	20.75	31.2	7	468.20	70
				######	
1	22.5	47.5	7	557.00	70
1		47.5	7	596.00	70
				######	
	14.0	55.7500	6	321.80	72
	14.0	55.7500	6	369.00	72
				690.80	
1	12.5	52	11	72.00	
1	21	41.5	6	638.80	
1	16.25	29 3/8	7	248.10	80
1		46.0000	6	426.00	
1		25 25	7	317.00	

1		25.25	7		317.00	
					######	
1	23	20	7		377.00	
	21.75	27.75	6		462.10	100
1		26	6		300.00	90
1		55	6		603.70	
	13	25.7500	6		121.30	90
		36.0000	6		59.00	
	11	17.0000		3	71.90	
	14 1/4	34.2500	3		251.60	100
	8 1/2	17.0000	3		37.60	
1	9	50	6		62.80	
1	12.5	50.5	6		212.70	
1	16.5	25.5	6		223.60	
1		37.7	7		590 00	95
1	9	16	7		20.00	
1	9	16	7		20.00	
1		49	7		831.00	
		12.0000	6		500.00	100
					######	
1	15.5	36	6		173.00	120
					173.00	
1		54	7		480.00	
	13	52.0000	6		245.00	
	9	32 0000	6		40.20	
27		11.5400	3		1,264.00	148
	18.75	32.0000	6		40.20	
1	13	49	6		230.00	160
1		52	6		776.00	
1		52	6		776.00	
1		52	6		776.00	
1		63	10		941.00	
1		63	10		941.00	
1		28	7		234.00	
	13	31.8125	6		149.90	140
					######	
27		11.5400		3	1,265.00	
					######	
	23 5	38.0000	6		748.50	170
					748.50	
	13.25	27.0000		6	134.20	
	14	47.0000		6	277.80	
	14.75	52.0000	6		344.20	
1	19.5	45	7		458.00	
		54.5	6		989.00	
1		54	6		1,118.00	
1		61	10		1,118.00	
1		60	6		1,088.00	
1		60	6		1,021.00	
1		60	6		1,034.00	
1	13.75	53	6		297.00	
1		55.7	6		928.00	
1		55.7	6		928.00	

1		55.7	6	928.00	
1		25.5	7	462.00	
	18 1/8	12.2500	3	150.30	
	16	55.0000	6	447.10	
	18.25	55.2500	10	616.30	
	19	45.5000	3	616.40	220
1		51.0000	7	996.20	
		60.0000	6	1,098.00	
1	14	48.5000	3	342.00	
1	16.75	48.5000	3	503.90	
1	20	48.5000	3	731.00	
	19.5	62.0000	6	457.00	
1	16.125	72	7	585.30	
		63	6	1,573.00	
	10	66.2500	6	132.70	
	13	60.0000	6	282.70	
1	12 7/9	38 5/8	3	227.20	
1	15	57	6	394.00	
				######	
1		17	7	97.00	
1	13	17	7	63.40	
	12	17.0000	6	63.40	
	10.5	58	6	139.50	
1		55	6	1,353.00	
1		40	6	1,039.00	
1		40	6	1,034.00	
1		40	6	1,021.00	
1		40	6	1,040.00	
1		40	6	1,023.00	
1		40	6	1,034.00	
1		40	6	1,020.00	
1		40	6	1,019.00	
1		40	6	1,024.00	
1		40	6	1,016.00	
1		40	6	1,019.00	
1		40	6	1,020.00	
1		40	6	1,027.00	
		40	6	1,012.00	
		40	6	1,017.00	
	14.5	51.0000	10	178.70	
1	18	29.75	3	359.80	
	27.25	43	6	1,171.20	291
1		43	9	581.00	291
1		43	9	1,236.00	
	25.5	38.5000	7.5	895.00	291
		63.0000	3	435.00	
		50.6250	3	119.00	
				######	
1	19	50.75	4	687.60	
	12	51	3	256.40	
	15	44.0000	6	305 00	370
	13	14	3	84.10	
				######	
1	21.25	57	10	739.00	

739.00
######

Attachment #2

Inventory over safety net volume as of August 2011.xlsx

Original view

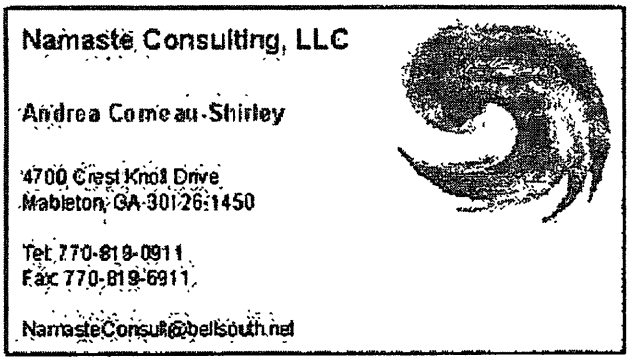
2 pages (displayed on pages 2435 to 2436)

		P1	P2	P3	P4	P5	Current Leve
Inventory							
	142 PET	24,923 00	28,567.00	86,910.70	92,897.00	116,260.20	50,557.10
	142 PET Slip	94,698.40	31,058.00	31,058.00	-841.00	1,086.40	0 00
	200 Gen	123,431.00	66,529.00	140,119.00	94,415.00	167,930.00	41,597.00
	200 PET	39,741 00	70,810.90	85,711.20	82,037 50	28,649.50	62,438.52
	200 PET High	202 00	202.00	202.00			0.00
	200 SVpet	664.80	2,006 00	2,006.00	3,067.00	3,697.00	13,656.70
	300 PET	48,907 20	49,093.00	73,870.00	52,455.60	27,654 60	14,210.80
	36 PET		1,015.00	1,015.00	1,015.00		14,407.70
	36 SVpet		15 00	15.00	15.00		8,756.30
	40 SV						1,958.00
	400 PET	16,800.00	10,304 00	11,356.00	1,252.00	18,773 00	8,770 20
	44 PET			2,176.00	2,176.00	3,486.00	15,259.30
	48 PET	264,422.00	115,568.50	128,746.10	171,222.00	218,462.00	93,552.40
	48 PET Coroi	16,340.00	4,152 00	17,765.00	18,605.00	29,831 00	15,363.00
	48SVpet	40,375.70	39,329.60	55,457.60	49,931.80	27,633.80	51,729.00
	500 Pet	8,107.00	3,246 00	3,216.00	3,484.00	3,435.00	3,789.50
	54-65 PET	46,738.50	80.00	80.00			82,294 91
	70 BOPP						1,153.00
	72 BOPP						690.80
	700 PET					593.00	0 00
	75 PET	-1,209.00	12,710.00	12,710.00	12,710.00		2,484.80
	75 SVpet		5,022.90	5,022.90	5,022.90		4,899.10
	92 PET	55,036.10	81,700.63	133,528 63	100,473 73	79,265 00	26,334.50
	92 SVpet	922.90	3,865.90	3,865.90	3,520.90	689.00	11,252.30
	BoPP Film	1,421 00		3,647 30	7,718.10	8,648.10	53,941.80
	Foil	63,151.98	48,254.62	48,254.62	10,768.00		0.00
	Foil (bare)	3,924 00				10,768.00	0 00
	PVC					8.00	0 00
	PVDC SARAN (48,or.50 gat	-	4,510.00	16,468 00	14,063 00	12,758.00	14,452 40
	Nylon						512.10
	PP						196.00
	Silicnn						6,894 00
Total Inventory							
		########	########	########	########	########	

EXCESS	Difference	
	-65,703 10	
	-1,086 40	
	-126,333 00	
33,789 02	33,789.02	
	0 00	
9,959.70	9,959 70	
9,337.80	-13,443.80	includes 9337.80 of WHITE
14,407.70	14,407.70	
8,756.30	8,756 30	
1,958.00	1,958 00	these should be with 36 or 44?
	-10,002 80	
11,773.30	11,773.30	includes 326 of SV
	-124,909 60	included 6,880 of WHITE and 4,312 of BLACK
	-14,468.00	
	24,095.20	
	354 50	
82,294.91	82,294 91	
1,153.00	1,153 00	
690.80	690 80	
	-593.00	
2,484.80	2,484 80	includes 1268 of white
4,899.10	4,899 10	
	-52,930 50	
10,563.30	10,563 30	
45,293.70	45,293 70	
	0.00	
	-10,768.00	
	-8 00	
	1,694.40	Check roll 15548 - is it really PVDC at 148Ga?
	512 10	
	196 00	Roll 14128
6,894.00	6,894 00	105Ga - three rolls

########

Attachment #3
image002.jpg
Image



From: Namaste Consulting <namasteconsult@bellsouth.net>
Sent: Tuesday, September 06, 2011 10:36 AM
To: John Gandis; Dave Wilson
Subject: Inventory Reduction Planning ..
Attachments: image001.jpg

I just want to make certain we don't get caught this year with too high an inventory level at year end . .

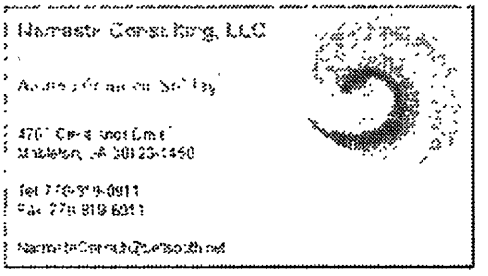
As you know, it will be difficult during November and December to move product that is not already in a company's production plan .. so that really gives us September and October to reduce to zero the inventory that we have that is "non-stock" items from a CCC perspective (e.g. thinner gauges, white film, black film, silicone treated, PVC, etc.) ... That is EIGHT WEEKS .. a very manageable time line.

Should we plan a meeting in early October to see what we have achieved and to discuss planning to get the rest of the "non-stock" film reduced to zero? That will give us some time this month to get some of that film out of here .. and hopefully have us down to a pretty small bucket of film to have to deal with between then and end of October.

Let me know what you think. ..
Andrea

****To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice included in this written or electronic communication is not intended or written to be used, and it cannot be used by the taxpayer, for the purpose of avoiding any penalties that may be imposed on the taxpayer by any governmental taxing authority or agency*****

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No virus found in this message
Checked by AVG - www avg com
Version: 10 0.1392 / Virus Database: 1520/3872 - Release Date: 09/02/11

RE: Restructuring for Dave

Item ID:	99749
Subject:	RE: Restructuring for Dave
From:	Namaste Consulting <namasteconsult@bellsouth.net>
To:	john@ccc-films.com <john@ccc-films.com>
Sent:	October 13, 2011 10:53:33 AM EDT
Received:	October 13, 2011 10:53:00 AM EDT
Size:	16 KB (16,677 bytes)
Source:	Outlook.pst
Location:	Exported mail files/Outlook.pst/Top of Personal Folders/Sent Items
Duplicates:	2
Content Created:	October 13, 2011 10:52:41 AM EDT
Content Last Modified:	October 13, 2011 10:52:41 AM EDT
MIME Type:	message/rfc822
Content MIME Type:	text/plain
Character Set:	utf8
Language:	English
MD5 Hash:	c98a10065b4c4bca8b5f42e15c3e8f46
Message Hash:	c960b99e40ef7e9f80809ce65b8fb44e
My tags:	Andrea_to_John_2011-12
Other's tags:	CCC, From namasteconsult@bellsouth.net, Gandis, Round 3B, To john@decotexllc.com or john@ccc-films.com, To or From john@ccc-films.com, namasteconsult@bellsouth.net

No problem at all . . you can also tell him that this might answer the question his accountant had ... so he will understand why this was reduced to wnting in the first place.

Andrea

From: John Gandis [mailto:john@ccc-films.com]

Sent· Thursday, October 13, 2011 10 46 AM

To: Namaste Consulting

Subject· Re· Restructuring for Dave

Thanks Andrea.

Is this e-mail something that I could forward directly to Dave ?

- JG

Sent from my Verizon Wireless BlackBerry

From: "Namaste Consulting" <namasteconsult@bellsouth.net>

Date: Wed, 12 Oct 2011 21·33:51 -0400

To: John Gandis<john@ccc-films.com>

Subject: Restructuring for Dave

One potential restructuring for Dave – with a purpose of bringing his reportable taxable income in line with his cash receipts:

1) Dave informs the company of his desire to repay his loan* in full (current balance is about $123K) – which he would repay by turning in his collateral (his membership interest in CCC, LLC).

a. This transaction will generate a LOSS for Dave which he would claim in his 2011 tax return.
b. If this loss exceeds his total 2011 income, the excess would be carried back – freeing up past taxes and reducing his unpaid 2010 taxes (either by applying the loss or by applying refunds from earlier years that are created when his loss is carried back)
c. The LLC records the full redemption of his ownership interest prior to 12/31/2011. The LLC would also be amended so as to reduce Dave's profit allocation for 2011 to zero. (This amendment must be completed on a timely basis to ensure it will be effective).
2) Dave is placed on a "regional commission" structure - this is intended to mean he earns one commission rate on his own sales and also earns a commissions on the sales of team members (that he supervises). Dave would become an employee of the company – thereby retaining his health insurance benefits. Presumably there would be a modest base salary. \
3) As a company, this would adjust our monthly cash outflow as his salary and commissions would become payable as sales are collected.
4) I recommend that we also shift most of purchasing to another salaried employee to ensure that he has time to maximize his sales revenues (and therefore commissions).
Let me know if you have any questions about the above,
Andrea
*As a reminder- starting in August 2010, the company began making loans to Dave. The terms were (a) due upon demand, (b) 10% interest, and (c) collateral is his membership interest – but otherwise non-recourse against personal assets. Another term was that the company had the right to decide, based upon its overall cash situation whether to deny his request for a loan in a given month. We have already had discussions about the need to reduce this loan based on the company's cash situation.

From: Dave Wilson <dave@ccc-films.com>
Sent: Monday, October 17, 2011 4:50 PM
To: John Gandis (john@ccc-films.com)
Cc: Andrea Comeau-Shirley (namasteconsult@bellsouth.net)

Follow Up Flag: Follow up
Flag Status: Flagged

I have spoken with my accountant regarding Andreas proposal and he believes it is flawed. Surrendering my stock would be a capital loss and not an ordinary loss against the taxes owed so I'm not sure this would help much. I am happy to have Ray talk with Andrea about this.

Frankly, I'm surprised that Andrea would even propose a buyout of my shares for $123,000. My capital account was worth $592000 at the end of 2010 and assuming we have made some profit this year, it's worth even more today. I think the value of my capital account is much more relevant than the loan amount when trying to determine the fair value of my interest in the company.

Here are several other options you need to consider.

1. CCC starts making regular accruals and distributions to its members to cover tax liabilities incurred by their ownership in CCC. I can set up an installment plan with the IRS which would spread the tax payments out over a number of years. I would also insist that we accrue for 2011 taxes so that quarterly distributions can be made to cover a percentage of the projected liability for 2011.
2. Dave resigns from CCC and maintains his 45% ownership. Dave is then free to do whatever he wants to including working for or operating a film company outside of CCC. By law, Dave has no duty to the LLC as a non-managing member but maintains all rights and privileges of a member.
3. Dave resigns and disassociates from the LLC. The LLC then has 30 days to set forth a purchase plan for my shares at fair market value. If the other members are unable to or unwilling to buy my shares, by law, the company is to close, assets liquidated, and funds dispersed to its members net of liabilities.

I don't know too many business owners who would continue to participate in a business that does not budget for and disperse funds to cover tax liabilities incurred by ownership of the business. I realize that each of us is in a different financial position but making decisions based on the needs of two partners without considering the needs of the third puts us in a quandary.

Running the business as we have been with no thought for tax liabilities is not an option. If dispersing funds for taxes means we grow at a slower rate, then so be it. We're kidding ourselves if we think we are successful because of a P&L that does not take into account the tax liabilities of its members.

Andrea's comments about handing over purchasing to someone else in the company demonstrates how out of touch she is with our company. Bill issues PO's and is capable of doing this. Bill nor anyone else is qualified to select vendors, new products, etc. We are not in a position to hire someone to do purchasing even if we found someone who was qualified.

Dave

From: Namaste Consulting
To: John Gandis
Subject: FW: Confidential
Date: Monday, October 17, 2011 6 38 39 PM

This has good tone ... don't know if Dave will receive it properly ... but you are right ... there is no reason to work towards door A if he already has his hand on Door B with the key in the slot ....
I don't know if Dave mentioned the installment plan to you or NOT ...but the only reason I know about it is from the private email you sent to me ...

I would just advise .. be careful about talking with too much knowledge about Dave's tax position ....

I will let you know how the call with Ray goes tomorrow.

Andrea

From: John Gandis [mailto:john@ccc-films.com]
Sent: Monday, October 17, 2011 5:19 PM
To: 'Dave Wilson'
Subject: RE:

I have asked Andrea to give Ray a call so as to make sure that you guys understand the proposal on the table.

I also think that you need to ask yourself - which way do you want to go...? two out of the three options involve you leaving the company. Do I also need to remind you that you helped to create the cash crunch ? I am not presenting to you an "us against them" strategy. . I have been trying to figure out a way that keeps us working together.

Andrea told us last April/May what we had to do to be prepared for the bill that was coming due – and it hasn't happened. The options that you have outlined below are not accurate... but before we even get into that – you just really need to decide what you want to do.

Following Ray and Andrea's conversation – I will put something in writing to you that communicates on paper the current state of where we are for tax distributions and my understanding of where we are headed for the future in tax distributions so that you can decide on how to set up an installment plan.

- John

From: Dave Wilson [mailto:dave@ccc-films.com]
Sent: Monday, October 17, 2011 4:50 PM
To: John Gandis
Cc: Andrea Comeau-Shirley
Subject:

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Running the business as we have been with no thought for tax liabilities is not an option. If dispersing funds for taxes means we grow at a slower rate, then so be it We're kidding ourselves if we think we are successful because of a P&L that does not take into account the tax liabilities of its members.

Andrea's comments about handing over purchasing to someone else in the company demonstrates how out of touch she is with our company. Bill issues PO's and is capable of doing this Bill nor anyone else is qualified to select vendors, new products, etc. We are not in a position to hire someone to do purchasing even if we found someone who was qualified.

Dave

From: Dave Wilson
To: "John Gandis"
Subject: RE: Questions
Date: Thursday, October 20, 2011 7 55.56 AM
Attachments: image003.gif
image004.jpg

See comments in Red I'm all for discussing inventory on Friday.

From: John Gandis [mailto:john@ccc-films.com]
Sent: Wednesday, October 19, 2011 6:04 PM
To: 'Dave Wilson'
Subject: FW: Questions

Fyi –

I usually open these e-mails and then close it until I have time to read it and digest it. I just now am having time to read this one again. Wanted to make sure that I passed this info on to you...

If I understand what she is saying... don't bring in stock until after 1/1 – and only if we are going to sell it in a reasonable amount of time. After further consideration of some of observations that you made about wide pricing vs. narrow – now I am wondering if we shouldn't place an order (to deliver next year) for slit goods – I think that the ANCO widths may be the same as the Imperial. We already know that Lambro uses some of the same widths as well...

Let's you and I have a good discussion on inventory following (or before) the sales meeting on Friday so that we can make some decisions.

- John

From: Namaste Consulting [mailto:namasteconsult@bellsouth.net]
Sent: Tuesday, October 18, 2011 10:56 AM
To: 'John Gandis'
Subject: RE: Questions

1. Don't do it (delay until Jan 1st) . . just bring the film here ... and if we are lucky, it will be partially or fully sold by end of January.

2. Not very if we don't make sales this year at least equal to last year and if our inventory remains at an inflated level. This is not about the bank ... this is about how our company is performing We DO need to plan for taxes!!! In my mind the most critical success factor for us to manage in 2012 is inventory turns. BUT ... we have to first get out from underneath the mistakes of the past – that means finding a buyer, any buyer, for the film that we currently have on hand that "should not be here." To me, it also means deciding what film we will "stock" and what films will be special order only. Once we get the film reduced to some $400-$55K investment (thereby bringing some $800K-$400k into the company (and

recognizing whatever losses we need to) .. then we have to work together to make certain that we just don't repeat the mistakes of the past. That may mean we need to work together in deciding about film orders .. that may mean that if Abet calls us with a truck of film for sale ... if we don't have sales orders (in the forecast) that we pass on some or all of the load. Abet is doing it right .. they are starting NOW and offering their excess film to anyone and everyone that will buy it. They are converting their stock to cash and offering the film by truck loads. There is no chance of sales being what they were last year. Selling prices have dropped by $.50 per lb and several of the large customers we sold last year no longer buy from us. she is going to be shocked when she finally realizes that our inventory is at least $400k lower than what quickbooks says it is. If we bought no more film this year, collected our AR including AR from open sales orders, and paid our vendors and monthly operating expenses, we'd end the year with $500k in cash. If we sell off 100 to 200k lbs of surplus inventory, we'll have $600 to $700k in cash. I agree with her comment about reducing inventory. Abet is not offering excess at the end of the year, they are offering film now because they don't have space or cash to sit on it just like they do every time they get film in.

3. Another step in managing inventory is to manage the rolls – You will need to create a PLAN for every roll ... if you don't cut it when you pull it, then that roll needs to have its plan documented (who are you holding the drop for and ..then what can we do to turn that drop into cash). Sometimes we may need to put a portion of our film into finished goods on a speculative basis – that is - convert EVERY POUND of that film when it is put onto the machine – and have a plan to convert the finished goods into cash within 4-6 months – including have a list of customers to offer the small quantities to. If you say that Greyflex was willing, at one point, to buy every pound of film that we created, then you may want to cut the trim/drop for them and then offer them the film each time you accumulate some 5,000# (so you are quickly unloading the film) – give them a screaming deal but require cash up front! (no 30 day terms .. that is the price for the really good pricing). Lastly – it may also mean really getting to know the market place and the 1,000s of converters that are out there competing with us and periodically doing what Abet does – and sending out lists of film to other converters (NO BUYING FROM THEM ...JUST SELL). Finally – the biggest paradigm shift of all, sometime we might have to pay a bit more, buy ONLY the film quantity that we need, and then push that price out to the customer so as to protect margins. I agree with her comment about having a plan for every roll. I can't do this for you. this will take daily or weekly communication between the plant and sales and customers to plan for each offcut. I can give you some general guidance as to who may be able to use the offcuts. I agree with the idea of giving Gray Flex a screaming deal on accumulated 48 gauge cuts, cash up front or net 10 days. I don't know where she gets the idea that there are"1000s" of converters competing with us. There are maybe 10 to 15 that we actually compete with. We do offer our list of inventory to customers and have been doing so for weeks if not months. I agree with her comment about sometimes paying a bit more to have the right quantity we need, although we can't just "push that price out to the customer". She still does not understand that we are distributing a commodity.

I want to say this in simple terms - taxes are no different than any other distribution to an owner.

When we make money – we also decide what to do with that money. Sometimes we spend that money on assets (like trucks, forktrucks, racks, and the like) and sometime we spend that money on film and ... sometimes we say "we have enough film and trucks ... let's give this money to us!" Taxes is nothing more than a decision about how you intend to spend your distribution. (Sometimes you will spend your distribution on groceries as well.) I disagree. If we decide to spend money on hard assets, it may mean that we have less cash for film purchases. We are not going to tell our employees "sorry, we bought too much film, you don't get paid this month We are not going to view invoices to vendors as "maybe we'll pay if we have money". Taxes should be viewed as a expense just as important as paying the light bill or a vendor. If we dont pay our taxes, uncle sam has teeth to enforce it. If you and Andrea want to view taxes as something we may or may not decide to pay in the form of distributions because you either have other means of paying your taxes from other businesses or you don't mind debt, that's your prerogative. But when your view of distributable cash and taxes jeopardizes my life and family, I have to decide which is more important. Guess which one wins.

What does that mean – that means we need to be more careful about buying machines, renovating machines, and buying film ... as these are nothing more than a decision to DELAY a distribution. When you decide to buy a machine or to renovate a machine, you are essentially saying "I don't need this money for a VERY LONG TIME" when you buy film ... you should be saying ... If I spend this $1 now ... I will have $1.20 by year end! That is smart use of the cash . . but ONLY if you sell the film right away and not if you have film that you are holding for a long, long, time. Agreed.

To get to the point that cash is flowing more abundantly (and being distributed more frequently) ... we will need to add another layer of "structure" onto the purchasing function .. specifically – I would suggest that when we buy film (including this new IMPERIAL order) that we list where we believe every pound could go. We pretty much do this. We know which customers can use each type of film we buy Put specific customers by the total so that we can get comfortable that every pound has a potential home (or even two) ..then we keep this list cumulatively .. because I believe that the mistake we have made in the past (cannot prove it) is that when we look a PO we say "oh, that film could be sold to Customer ABC" – but we have not considered that we already have 6 months of film on hand for Customer ABC – so we actually need another customer to sell particular film to ... and we need another customer to sell some of the film on hand to .. so we can have all that film sold within 4 -6 months. She has an oversimplified view of our business. We don't buy film for a specific customer if we have 4 to 6 months on hand. A lot of the film we bought last year and still have in inventory was for customers who no longer buy from us i.e Chase, Multi, Minova.

Hope that make sense.

Andrea

From: John Gandis [mailto:john@ccc-films.com]
Sent: Tuesday, October 18, 2011 10:11 AM
To: 'Namaste Consulting'
Subject: Questions

1. We want to order some extra foil laminate on this next container for Imperial

(from Dahua). We would ship it into Canada to fill the Imperial order... then off load the master rolls at a truck depot and ship the roll stock down here for some inventory. The orders have to be to Imperial by the 18th of December. We could time the stock to arrive here after January 1st. Would that make a difference in inventory ??? Especially since we have to pay for it up front.

2. How confident are we that we are going to get a line for potentially January of next year ? A lot of what I am hearing from the sales team involves imports. If I am truly going to meet some type of tax plan, and run the business... we will have to have a line to flip film. Should I start making some initial contacts with local banks. I am not really in so much of a position to make the loans any more.

Thanks !

John C. Gandis
Cell: 864-553-9338
Fax: 864-225-4317

Plant Address:
1017 River Heights Circle
Anderson, SC 29621

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Version: 2012.0.1831 / Virus Database: 2092/4560 - Release Date: 10/18/11



October 31, 2011

Dear Dave,

I am writing you to inform you about the projected cash situation for the company and to finalize your decision as to your preferred business structure with Carolina Custom Converting, LLC. I am leaving this decision in your hands and, just as we discussed, I am trying to ensure that we continue to work together in way that is best structured for everyone.

As you know, for the period through 2010, the company has generated taxable income that exceeds its cash flow. This is a result of the large debt we have incurred to purchase assets as well as our ongoing investment in film. Based upon our discussions in our biweekly sales meetings, I don't see this situation changing for the next year or possibly longer. During this past year Andrea and I agreed to not receive any funds from the company - as we felt that CCC was not in a financial position to afford distributions to all members and the company began to loan funds to you.

As you know, we are working on preparing a note for you to sign related to the various advances that CCC has made to you. Absent a note to change those terms, those funds are legally regarded as advances and the company can make demand for repayment at any time (and you are personally liability for that debt). We are willing to remove the personal liability if you are willing to provide that the sole collateral for your loan is your entire membership interest. That means that if CCC requested repayment, you would have the option of repaying your loan with cash OR turning over the entirety of your membership interest as satisfaction of the obligation.

As we continue to grow this company my business goal is to pay in order of priority – our employees, our film suppliers, all other vendors, and finally the owners. This decision is not being made without careful consideration of the future of Carolina Custom Converting, LLC.

Recently we have had to pay several of our vendors late in order to set aside funds to loan to you. It is not in the best interest of our company to pay our vendors late, particularly when we have the funds available to pay them. The current payment of $12,000 a month is too great a burden to pay monthly while assuring that our legal obligations be paid in the order as they are outlined above. However it is not my desire to create an undue burden for you and your family either.

I have three options for you to consider. First, we can leave the ownership structure unaltered. Second, the company can buy-out your interest in the LLC under a note. Finally, we could formally modify the limited partnership agreement to reflect that your

total economic interest through December 31st of this year has been capped at the cash you have received (or been advanced). The second and the third options would eliminate your current obligation to CCC. Which of these three options is best for your family is your choice.

As we have been friends for a long time and I want to avoid any confusion about the cash consequences of each alternative, here is how I see the impact of each of these decisions on your cash flow.

Option 1: Continue as Member/Partner

If you continue as a partner with me in CCC, we will have to adjust the cash flows so that you and I are in line. As you know, I have personally funded the distributions you received through 2010. I borrowed against my family's home so as to put the cash into the company that funded your distributions. I stopped funding the distributions during this past year. As a partner if CCC generates taxable income that higher than its net cash flow, then you will need to be able to finance that tax obligation personally. Last year, I was forced to take out a loan on my home equity in order to pay takes on the CCC income and to pay my 2011 estimated tax obligations.

As you know this cash shortage is primarily a result of the amount of film we have carried on our books. CCC needs to continually invest its profits into film purchases, including overseas purchases, in order to meet customer demand. As I look at our company's outlook, I believe this situation is likely to remain the same for the next year or so. Even if we are able to open the line of credit as we have discussed, the line will be used first for film purchases. The bank has asked for a personal guarantee on this line; from a personal risk perspective, the guarantee is almost the same as if I had personally funded the company again. I cannot let the line be used to fund prior year tax distributions, either directly or indirectly.

As a partner you will also have to make personal arrangements to satisfy your taxes when the company has invested its profits in film and equipment. Our duties will be first to our obligations to our employees and then to our vendors. Our company will continue to generate positive cash flow for owners; however this cash may not cover the entire tax obligation as well as living expenses. If you decided to remain as my partner, you must be willing to live by these cash flow priorities for the good of our company. This also means that in months were the company cannot pay all its vendors on time, you will not be able to receive an advance on the 1st and you may even be requested to repay part of your existing loan balance to help pay a film vendor in a timely manner. You will need a personal safety net for your household obligations and cannot presume that the company will make an advance on the 1st of each month.

Option 2 – Buy Out

You have mentioned to me several times the concept of determining your capital account balance with the presumption that you must be bought out. If you want the company to

buy your capital account, please be aware that the amount on your Schedule K-1 does not reflect the value of your interest. If you decide you want to be bought out, the company will determine the value of its assets immediately following the inventory next month and your purchase price would be based upon net asset value. Most importantly, as the company does not have the cash for the buyout, the value will payable to you by a 9 year term note bearing simple interest at the applicable federal rate.

A buyout does not eliminate your tax bill for 2010 or 2011 and might result in a capital loss to you. A buyout will not generate a current cash outflow to satisfy the 2010 or 2011 tax bill.

As part of the buy-out, the company would agree to net current advances to you against the buy-out note. While this netting does not produce any immediate cash for you, it does remove the risk that the company could demand repayment from you prior to the maturity date of your buy-out note.

After the buy-out, you would become an employee of CCC entitled to the same benefits as our other employees that started in 2008. Your time as a member would be applied towards your vacation and other personal benefits. We would also discuss a bonus plan that would allow you to continue to have some upside participation if the company returns to the boom levels of last year.

Option 3 – Membership Modification

As we have discussed with you and your CPA, Ray Harris, so long as you provide us written authorization prior to November 21st, we will modify the membership agreement to provide for the following:

- Retirement of your membership interest
- An agreement that your total economic interest for the period of your membership is capped at the cash you have received (or borrowed)
- An income/loss allocation provision to reflect the new cap on your total economic interest in the company
- An agreement to work with your tax advisor to structure the modification so as to minimize the potential capital loss recognized and to maximize the elimination of prior year "phantom" taxable income.

As discussed Mr. Harris, we cannot tell you will absolute certainty how these numbers will work out prior to the year end close, but we anticipate that the modification would produce a loss allocation from CCC during 2011 to reduce your tax capital account.

We believe this option will reduce, and perhaps eliminate, the unpaid 2010 tax liability although it will require that you file a net operating loss carryback claim for 2011.

Just as under option two above, after the modification, you would no longer be a member in CCC but you would become a salaried officer. If you elect either option two or option

three, we hope to provide to you an employment contract prior to year end to be effective January 1, 2012

Dave, I am looking forward to continuing our work together and am prepared to move forward as you decide. As many of these steps need to be documented and executed prior to January 1st, I will need your decision no later than November 21st so we can get all the documentation completed before the holidays are here. The attached documentation should be signed by you to indicate your preference.

Respectfully,

John Gandis

Carolina Custom Converting, LLC
PO Box 2726
Anderson, SC 29622

RE: Membership interest in Carolina Custom Converting, LLC

Dear John:

Pursuant to your letter of October 31, 2001, I desire to continue our business relationship under the following structure:

_____ Option 1: Remain as partner in Carolina Custom Converting under an arrangement when the company will make distributions to me ONLY when it (a) all payments to vendors are capable of being made in a timely manner and (b) distributions are being made in a pro-rata basis to all members.

_____ Option 2: I desire to retire as a member in Carolina Custom Converting LLC and become a salaried employee effective January 1, 2012 pursuant to a buy-out note. I understand that before the note value can be determined, the company will need to complete the current inventory computations. The terms of the buy-out note will be a 9-year balloon note with interest at the applicable federal rate. The payments will be interest only with the balloon due December 31, 2020. I understand that under this option I will remain currently liable for the tax liabilities that result from the 2010 and 2011 Schedule K-1 allocations to the extent that they exceed prior distributions and advances as of year-end.

_____ Option3: I desire to retire as a member in Carolina Custom Converting LLC and become a salaried employee effective January 1, 2012 pursuant to a membership agreement modification. Under this options, the members will agree to modify the membership agreement to clarify that for purposes of (a) maintaining my capital account, (b) allocating 2011 results, and (c) liquidating my interest in Carolina Custom Converting as of December 31, 2011, my total economic interest in the Carolina Custom Converting, LLC should be capped at an amount equal to the funds I have been previously distributed plus the amount of the amount due from me to the company. I understand that the company is not providing tax advice and that I should consult with my own tax advisor related to the potential loss allocation for 2011 and the extent to which a loss may reduce the tax obligation resulting prior income allocations.

I have initialed the option that I desire.

_____ _____
David B. Wilson, member Date

From: John Gandis <john@ccc-films.com>
Sent: Monday, October 31, 2011 5:07 PM
To: 'Dave Wilson'
Attachments: Dave Letter 10-31-11.pdf

Dave,

Did not have the cash in our checking account to write you a check today. We should be in better shape following the mail run on Wednesday. We'll write the check then. I will not hold up your next advance while awaiting your decision on the direction that makes the most sense for you as we are in agreement that these are loans...

In regards to your cash flow analysis...

Couple of observations:

You have only 12k a month in there for payroll – our employee's cost us over $50k a month.

You do not have anything in there for machine cost or freight – and an estimated $20k per week in operating cost. We average more like $120k per month in operating cost... and this is before we buy film. I haven't really concentrated on a plan until I knew definitively which way you wanted to go. I still need to do some catch up in distributions for Andrea and I as well – so... one thing at a time.

Have a safe trip.

John C. Gandis
Cell: 864-553-9338
Fax: 864-225-4317

Plant Address:
1017 River Heights Circle
Anderson, SC 29621

P 10

November 3, 2011

Dave - I wanted you to know that I have thrown out the form you faxed to Joy as I have been advised by the attorney that it is not consistent with our original deal. I sent you the Advance Request document you should send to the office. Notwithstanding receipt of that form, cashing the enclosed $12,000 check is an acknowledgement that you accept the terms of the loan as recourse.

I understand that you may have some concerns about the legal nature of advances from our company. As such, I want to remind you that my letter outlined two options that would fully eliminate any and all loans due from you as of year-end.

The company is not in the position to make distributions at this time. I have decided that I cannot afford to make loans to you at the level of the last several months unless sales volumes return. I still have some catch up distributions to make and, as such, I will not be able to make a loan to you for January or February of next year. So you are able to set aside some cash to handle your household expense for January and February, the company will plan to make one more$12,000 loan to you at the beginning of December.

What happens in 2012 is based upon your choice for moving forward. If you select option A, you will not be receiving a check for the first few months of 2012 year and after that the loan amount will no longer be a flat $12,000 each month. The amount that the company can loan to you will be based on the company's cash position and after I have made a monthly catch up payment to me. I am not certain how long it will take to fully catch up, but I will operate so that catch up amount is getting smaller. After all the catch up distributions have been made, then all partner distributions will be made on the same day on a pro-rata basis. This is different than how we have done it in the past. To ensure that no partner has preference over another, if $12,000 is available cash, you would receive $5,400 on that day and will have to wait for a new week to see if more cash is available for another distribution.

Before you make your decision on November 21st, we should discuss potential salary levels for next year. As a salaried officer, you would receive two checks each month (directly deposited into your bank account on the 7th and 22nd of each month). Another benefit of employee status is that your payments will have the same priority level as our other employees and our sales volumes will not impact your monthly cash flow.

As an owner, we all need to agree to be last in the order of cash flow priority and we have to agree to be even with each other.

John

From: Dave Wilson <dave@ccc-films.com>
Sent: Thursday, December 01, 2011 1:24 PM
To: John Gandis (john@ccc-films.com)
Cc: Andrea Comeau-Shirley (namasteconsult@bellsouth.net)
Subject: buyout structure

Hi John,

Here are some basic points to discuss as we work toward a buyout of my equity and employment agreement.

1. I believe my equity is worth $770,000 at a minimum. This is slightly higher than our current net asset value, but less than the multiple of earnings typically used when calculating a company's value.
2. I would require $350,000 at closing which would allow me to pay off my tax liability for 2010 and 2011 and leave me with a safety net.
3. If you wish to go the route of allocating gains and losses to the members by assigning my shares to the other members, effectively eliminating my tax liabilities for 2010 and 2011, then we would need to come up with what that transaction is worth to both parties. This makes things more complicated but I am open to this avenue. The value we arrive at would reduce the value of my buyout plan accordingly and would reduce the amount owed at closing.
4. Balance due after closing would be paid out over 6 years accruing interest at 8%
5. Dave would have an employment agreement for not less than 5 years with a guaranteed monthly salary of $12000.
6. If Dave is terminated before the end of the employment agreement, the balance of the payout would be due immediately.
7. Dave would have health benefits through the company.
8. Dave will have a bonus / commission / Phantom stock agreement to participate in the upside performance of the company.

I know this is very rough but hopefully enough to get the discussions going. Please discuss with Andrea and let me know your thoughts.

Thanks,

Dave

From: Namaste Consulting <namasteconsult@bellsouth.net>
Sent: Tuesday, December 13, 2011 5:26 PM
To: Dave_Wilson
Cc: John Gandis
Subject: The Plan for 2012 - CCC
Attachments: image002.jpg

Dave – I have been out of the office and am just catching up with emails.

It seems to me that that the next step (per your suggestion) is a discussion with your attorney. If you will send me the name and number of your attorney – we will have John Zamer call him to make certain that they talk with one another. I think that a conversation with the two professionals may be best to ensure that no one is confused by the transaction – and then each one can report back and explain any nuances.

Prior to that call – I want to outline where I understand things to be ...

First – We have a partnership and we plan to initiate new cash planning and operational changes on January 1st that are designed to help us grow to the next level. As part of that plan, I understand that John has said he wants your focus limited solely to sales and related planning, he will focus on the management and strategic direction of the company and I will continue to focus on our financial planning. There may be new reports, procedures and other processes that are layered on that – but many things will be done in a more "corporate" form so that each of us can focus on our strengths.

From a financial management perspective, as we told you several months ago, the company will use available cash during January and February to partially catch up on the tax distributions to John and myself. After that date – we will continue to work on the catch up through-out 2012 so as to eliminate the difference in 2012.

Specifically this mean that you will not receive a cash distribution for January & February (and technically we only receive tax distributions). You have indicated to John that you have arrangements in place with family/friends/ bank to ensure that your personal cash situation is stable for January and February – or any other period where partner distributions might be less than anticipated.

It is our plan that starting in March we will resume distributions to partners and that all distributions will be made on a pro-rata basis from available cash. We cannot predict now how much cash will be available on any given date – but we will work to distribute cash from "Available Cash" on a regular basis. For purposes of cash planning, "Available cash" will be defined as cash on hand after a reserve for upcoming bills. Another difference is the treatment of taxes including in cash distributions, as taxes will be withheld from distributions and remitted directly to the tax authorities under the name of each owner. (This process is much like a paycheck where an employee only receives the cash that they can spend and the federal, state and SS taxes are withheld from the check and remitted directly to the government). This new procedure will ensure that taxes (as budgeted) are actually remitted on a timely basis for each owner. Finally – there will not be any additional loans to owners.

As you refer back to John's October letter outlining three options for 2012, he was working on alternatives that might reduce the entrepreneurial risk for your family as well as provide you with a more stable cash flow. As he noted to you, this change means that you forego upside participation – just as you will be foregoing downside risk and sporadic cash distributions. In fact the salary offer for 2012 was intended to buffer you in what appears to be a continuation of a tight economy.

As you know, John's letter included an original "deadline" of November 21st which he extended until November 30th. We are not inclined to consider your counter-proposal which seems to have merely selected the best characteristics from Options A, B & C from John's letter. As John has told you – he is working hard to keep this partnership growing and you are a partner in that partnership.

As such, we should all assume that we will continue as partners as of January 1, 2012.

That said, it appears that you may be interested in converting to an employee position on January 1st – which was option 2 (or B) from his original letter. (As you know, John has formally retracted Option 3 (or C) from his original offer letter).

Option B provides for a buyout of your interest at net asset value – for a closely-held company this will be very close to book value.
In your email – you have asked for a premium over book value. **No qualified appraiser** will value our company above book value. The reason for this valuation is quite simple – there is not a solid track record of earnings that are attributable to anything other than the film supply shortage. More significantly – our company has experienced the loss of several large customers, the financials have reported a consistent and significant downward trend in sales, and the margins are suffering as well. In fact, it appears that the company will likely close out this year with an overall loss – which is a result of declining margins and consecutive months of missing sales margins by more than 50% of budget.

As noted in the October letter – the net asset value will be determined as of December 31st and will reflect this month's inventory adjustments and scrap sales. Perhaps the letter should have been clearer to explicitly state that the final computations would place in 2012 as the normal year-end close work is finalized. The company still needs to record the normal adjustments that take place in December – including but not limited to (a) accruing unpaid commissions on uncollected sales, (b) reporting salaries for work performed through December 31 which will not be paid until January, (c) reporting other employee benefits earned during 2011 that remain unpaid as of year-end, (d) adjusting inventory to the year-end physical and other typical reserves experienced by manufacturers. This list is not fully exhaustive of the year end work for the final accrual adjustments. These year-end adjustments are a normal part of preparing our books for tax reporting.

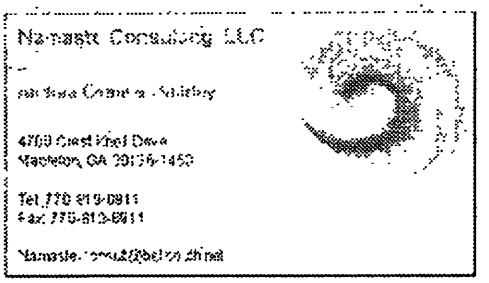
If you are still considering the employee route, I think your attorney can get you comfortable with the book value approach. Although it might be repetitive to say this, John's offer letter should not be interpreted as requiring you to convert to an employee. As a continuing owner, there will be changes in how our company operates to protect and promote the business and these changes will require owners to be last in the cash flow planning process. This will be a change to your personal situation.

I have placed a call with John Zamer to let him know that he might be talking to your attorney this week or next. Because we didn't receive your documentation on November 21st – I don't expect paperwork to be drafted for ownership restructuring prior to year end. If you are serious about converting to an employee status – we need a formal confirmation of your desire to be converted at a price yet to be determined after the call between the attorneys otherwise we will just presume that the partnership will move forward under the new operating plan with you as a continuing partner.

Andrea

****To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice included in this written or electronic communication is not intended or written to be used, and it cannot be used by the taxpayer, for the purpose of avoiding any penalties that may be imposed on the taxpayer by any governmental taxing authority or agency*****

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Version. 2012 0.1873 / Virus Database 2108/4678 - Release Date: 12/13/11

From: Namaste Consulting <namasteconsult@bellsouth.net>
Sent: Thursday, December 29, 2011 9:16 AM
To: Dave Wilson
Cc: John Gandis
Subject: Selling CCC
Attachments: image002.jpg

Dave – John mentioned to me that you might have an group of inventors interested in buying CCC and you had asked would I be willing to sell as well?

The answer is HECK YES.

I couldn't tell if you were saying that all three of us are being bought out or if the deal is that YOU and a team of investors are buying us out.

If you and a team of investors are buying us out ... then here is what you need to know:

1) Cash at Closing
2) No Escrows or claw backs apply to myself or to John (just as there was none to you in our offer).
3) John must receive a fair price for the real estate (the two buildings and all the contiguous land).

If you have found a team of investors that is buying all three of us out... there here is what YOU need to know as you approach them:

1) Cash at closing
2) I must be paid my priority
3) Land Transaction should be separated from the business transaction – i.e. Cash paid in full and no escrows.
4) To the extent that there are reserves or escrows – you must agree to give me 100% of my cash (disproportionately) at the closing. As a minority owner, I won't bear the risk (or hassle) of escrows or clawbacks)
5) John may also ask you to take on a higher share than 50% of the risk in the reserve or escrow as this deal is being done with "your people."
6) Involvement subsequent to the deal:
    a. I would not continue in the operations on a going forward basis
    b. Cannot speak for John as to his interest or his salary needs.

While it ordinarily takes 6 –months to do a mid-size deal, this is not a mid-size deal! If you really people have money ready to cut a check – we could close in a month.

We have set an offer in front of you that would be used as a starting point for the company ... so they need to QUICKLY propose a value for the real estate that John would agree to. If this is really something that you have been working on – then have your team prepare a Letter of Intent that includes a FORFEITABLE DEPOSIT (if the deal doesn't close – no financing contingencies permitted), so we know these people are serious investors.

NOW ... let's get practical ..

If this is really the avenue that you want to pursue – then you just need to tell us that it is your intention to continue as a partner pursuing this sale. And that point we can get back to business and we will move into January consistent with the operating and cash flow plan that was outlined to you in October. Specifically that means CCC will use available cash for January and February to reduce the tax distribution catch up. If your people move quickly, then we will be either all be sitting on a nice check by the end of February and or you will become a salaried/owner when the new team comes in.

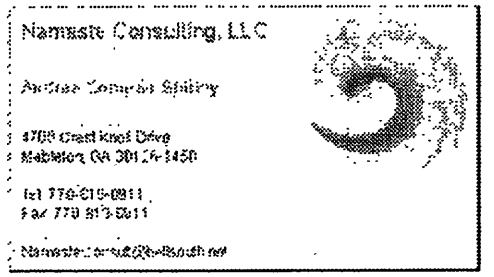
IMPORTANT - You need to find a way to flush this out quickly as our offer of $200K expires on January 7th.

You should be able to flush out in ONE-DAY whether or not this group has the ability to do a cash deal (i.e. either has the capital or access to bank financing).

Andrea

****To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice included in this written or electronic communication is not intended or written to be used, and it cannot be used by the taxpayer, for the purpose of avoiding any penalties that may be imposed on the taxpayer by any governmental taxing authority or agency*****

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Carolina Custom Converting LLC

Cash Position - Late 2011

Month Ending		*Unadjusted* Sep-11	*Unadjusted* Oct-11	*Unadjusted* Nov-11	*Unadjusted* Dec-11	*Adjusted* Dec-11
Cash		112,015	232,663	229,357	135,879	135,779
Set Aside for Payroll		(56,532)	(37,159)	(74,642)	(40,775)	(40,672)
Operating Cash	A	55,483	195,504	154,715	95,104	95,107
Accounts Payable						
Past Due		13,478	28,826	36,594	61,542	
Interim Week		86,627	(1,056)	(1,056)	(6)	
Current		186,631	157,634	198,040	110,106	
		286,736	185,404	233,578	171,642	114,929
Due to Customer		43,391	43,391	57,789	43,391	20,000
	B	330,127	228,794	291,367	215,032	134,929
Prepayment for Film*	C					* (47,053)
Net Cash Available	A-B-C	**(274,644)**	**(33,290)**	**(136,652)**	**(119,928)**	**(86,875)**
Tax Distribution Catch up Due					(147,636)	
Unrecorded Distribution Catch Up Due		(135,188)	(149,653)	(109,320)	(19,392)	(159,618)
Accounts Receivable		480,548	460,464	346,598	411,099	423,416
Equipment Loans		(154,930)	(150,418)	(171,606)	(167,076)	(167,076)
		325,618	310,046	174,992	244,023	256,340
Date Computed		***10/11/2011***	***11/9/2011***	***12/9/2011***	***1/10/2012***	***9/1/2012***

* prepayment is presented as negative payable at 12/11 - thereby causing true balance of amounts due to vendors to appear lower;

Carolina Custom Converting LLC
Trial Balance
As of September 30, 2011

	Sep 30, 11	
	Debit	Credit
Bank of America	41,384.92	
Money Market Account	14,097 46	
SCBT Payroll Account	56,532.31	
suspense acct	623.80	
Accounts Receivable	480,547 97	
Inventory Asset	1,416,472.13	
Prepaid Rent		250 00
Building Improvements:Clean Room Improvements	15,810.32	
Building Improvements:New Office Space Addition	5,626 44	
Building Improvements:Trane Air Conditioner-Prod.Area	10,711.38	
Converting Equipment:Appleton Core Cutter	8,000 00	
Converting Equipment:Bailer Cram-o-lot Manual Tie	3,212.72	
Converting Equipment:Baler	4,500 00	
Converting Equipment:CoreTech Series F-3 Core Cutter	4,965 11	
Converting Equipment:Stretch Wrapper	3,230 00	
Converting Equipment:Trim Blowers (7 in total)	3,066 69	
Idle Equipment or CWIP:B3 - 86" Black-Clawson DR-15	34,235 22	
Idle Equipment or CWIP:Corona Treater	10,000 00	
Idle Equipment or CWIP:Machine 4 Rewinder (CIP)	6,946.92	
Idle Equipment or CWIP:Machine 7 - 80" Stand	9,700.00	
Office Equipment:- Sales and Customer Software	3,869 80	
Office Equipment:Allworx Telephone System	7,919.05	
Office Equipment:Color Laser Printer	1,158 00	
Office Equipment:Dell Optiplex 380	1,363.77	
Office Equipment:File Cabinets	1,406.59	
Office Equipment:Laser Printer	401 74	
Office Equipment:Office Cubicles	2,551.00	
Office Equipment:Office Furnishings	1,322 00	
Office Equipment:Server	2,161.75	
Office Equipment:Time Clock	423 99	
Other Equipment:2006 Catepillar Narrow Fork Tru	31,370 00	
Other Equipment:3 Overhead Steel	5,841 31	
Other Equipment:40' Used Shipping Container	2,400 00	
Other Equipment:Iron Force Air Compressor 7.0HP	321 27	
Other Equipment:Kellogg 70 HP ???	0.12	
Other Equipment:Komatso Forklift FB25SH-4	4,678 59	
Other Equipment:Lawnmower/Weeder	420.00	
Other Equipment:Layon Roller #120 Various Width	3,212 72	
Other Equipment:Lincoln SP-200 Mig Welder	1,007 24	
Other Equipment:PantherPlus Digital Floor Scale	584 13	
Other Equipment:Racks	56,833 96	
Other Equipment:Steel Container	2,040 50	
Rewinders:Arpeco Rewinder	8,000 00	
Rewinders:R1-Stanford 188 slit/rew	16,636 56	
Rewinders:R2 - 24" Center Winder Slitter	7,973 27	
Rewinders:R3 - 30" Stanford 638	14,801 11	
Rewinders:R4 - 30" Stanford 1992	10,086.85	
Rewinders:T1 - 4" Dusenbury 750AB Salvag	1,960.33	
Rewinders:T2 4" Dusenbury 750AB Salvage	1,460.33	
Slitters:A1 - 62" Arrow drum	36,557 44	
Slitters:B1 - 84" Bagley-Sewell CS-R	11,047 14	

Carolina Custom Converting LLC
Trial Balance
As of September 30, 2011

	Sep 30, 11	
	Debit	Credit
Slitters:B2 - 100" Duplex Center	64,746 66	
Slitters:D1 - Dusebery 835	30,944 57	
Slitters:K1 - 62" Kamph	9,263 66	
Slitters:S1 -Stanford 338 slit/rew	50,602 71	
Slitters:S2- Selim 54"	11,885 22	
Slitters:S3 - 62" Stanford 338	32,038 05	
Vehicles:Freightliner M2 106 24 Foot Box	57,000 00	
Z. Accum. Depreciation		195,068 87
Cores, Etc	3,013 76	
Accounts Payable		286,736 20
Due to Cadillac Products		43,390 87
Payroll Liabilities:C.Pickens-Child Support 111.66/	165.04	
Payroll Liabilities:D Green - Child Support 125.49/	250.98	
Payroll Liabilities:E.Neal-Child Sup--Tylik/54.52	109.04	
Payroll Liabilities:Employee Co-Pay on Health Ins.	2,119.49	
Payroll Liabilities:Federal Lien - Employee PMJ	120 00	
Payroll Liabilities:Federal Unemployment Payable		139 26
Payroll Liabilities:Federal Withholding	5,012 93	
Payroll Liabilities:Loan - Employee Tommy McAlister	800.00	
Payroll Liabilities:SC Contingency Assessment		14 65
Payroll Liabilities:State unemployment Payable		612 22
Payroll Liabilities:State Withholding	1,366 36	
Equipment Loans - NonRecourse:CommunitySouth Bank		83,453 63
Equipment Loans - NonRecourse:CommunitySouth Offset	23,059 92	
Vehicle Financing:Daimler Finance #		41,956 52
Vehicle Financing:Wells Fargo-Portion Sales Tax		1,657 82
Vehicle Financing:Wells Fargo - Lease for ForkTru		27,862 03
Andrea's Equity Balance:Andrea's Advances	76,761 45	
Andrea's Equity Balance:Andrea's Health Insurance	2,296 86	
Dave's Equity Balance:Dave's Advances	325,103.10	
Dave's Equity Balance:Dave's Advances:Car for Owner - DW:Lexus	28,143 00	
Dave's Equity Balance:Dave's Advances:Car for Owner - DW:Lexus Financial 036 6132661		19,942 93
Dave's Equity Balance:Dave's Advances:Due from Dave - loans @ 10%	110,608.69	
Dave's Equity Balance:Dave's Contributions		3,165 00
Dave's Equity Balance:Dave's Health Insurance	4,335 04	
John's Equity Balance:John's Advances	325,313.78	
John's Equity Balance:John's Advances:Car for Owner-JG:2006 Ford F150	12,480 61	
John's Equity Balance:John's Contributions		3,000 00
John's Equity Balance:John's Health Insurance	4,335.04	
Retained Earnings		2,040,365 16
Rental Income		400 00
Sales - Foil		396,412 03
Sales - High Clarity Films (PET		595 90
Sales - PET		2,933,799 46
Sales - PET Corona Treatment		143,950 35
Sales - PVDC		73,449 05
Sales - White Film		7,476 30
Sales BOPP		32,690 76
Sales Metalized		505,483 68
w Discount Expense	16,992.72	
x Freight billed to customer		41,231 38

Carolina Custom Converting LLC
Trial Balance
As of September 30, 2011

	Sep 30, 11	
	Debit	Credit
y-Other Sales		616.05
z- Customer Credits	1,454 67	
Direct Labor:Bonus	8,000 00	
Direct Labor:Employee Benefits	10,460.92	
Direct Labor:Federal Unemployment	2,457.25	
Direct Labor:Payroll Taxes - Employer Portio	30,658.92	
Direct Labor:State Unemployment	884.79	
Direct Labor:Vacation Pay/Personal Time Pay	1,627.46	
Direct Labor:Wages - OVERTIME	1,325 17	
Direct Labor:Wages - Production	353,631.50	
Freight - Inbound	65,934.27	
Freight -Outbound	108,960.99	
Materials - Cost of Goods Sold	2,595,652.26	
Outsource Slitting Expenses	19,313.12	
Outsourced Metallizing	36,452.79	
Packaging Costs	40,239.52	
Quality Assurance/Matters	48,534.33	
Sales commission expense	91,560.37	
Vendor Refunds		1,000 00
Advertising Expenses	6,280.00	
Ask ANDREA before month end	452.24	
Bad Debt Expense		215,072 07
Bank Service Charges	2,060 47	
Business Gifts	225 20	
Business License,Fees,Permits	10,379.35	
Car/Truck Expense:Fuel	9,672 32	
Car/Truck Expense:Repairs & Maintenance	1,291 56	
Contribution	1,050.00	
Credit and Collection Charges	214 41	
Depreciation Expense	63,573.75	
Dues and Subscriptions	900.00	
Equipment Rental	6,450 00	
Insurance:Auto Insurance	2,324 06	
Insurance:General Liability Insurance	1,351 26	
Insurance:Professional Liability Ins.	450.00	
Insurance:Property Insurance	2,674 52	
Insurance:Worker's Compensation	6,466 78	
IT expense (incl. software)	6,790 29	
Legal Expenses	2,806 25	
Office Supplies	7,918 05	
Payroll Processing Expenses	900 00	
Postage and Shipping	3,764 60	
Reconciliation Discrepancies	89.61	
Rent	47,773 44	
Repairs and Maintenance:Labor	12,671 02	
Repairs and Maintenance:Materials/parts	35,182 98	
Sanitation	3,687 19	
Taxes - Property, Ad Valorem	208 80	
Telephone, Fax & Internet	17,381 23	
Travel & Ent (BREAKOUT):Ent-Meals w/customers	1,396 64	
Travel & Ent (BREAKOUT):Meals-w/o vendor/customer NOTE	1,022 19	

Carolina Custom Converting LLC
Trial Balance
As of September 30, 2011

	Sep 30, 11	
	Debit	Credit
Travel & Ent (BREAKOUT):Travel (Lodging/Transportation)	7,716.18	
Utilities - Power, Water, etc.	28,403 05	
Wages - SG&A:Employee Benefits	6,731.13	
Wages - SG&A:Wages - Gen & Admin	105,338.82	
Wages - SG&A:Wages - Sales	6,730.80	
Interest Income		4,910 89
Other Income		124,892.93
Set Up Fee		1,825 00
Toll Slitting Income		190,813.16
Interest Expense	24,415 02	
TOTAL	7,422,234.17	7,422,234.17

Carolina Custom Converting LLC

1:50 PM

A/P Aging Summary

10/06/2011

As of October 6, 2011

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
3M Film Manufactu	39,069 47	0 00	0 00	0.00	0.00	39,069.47
Abet Packaging	36,034 68	0 00	0 00	0.00	0 00	36,034.68
All Balers & Hydrat	224.16	0.00	0 00	0.00	0 00	224 16
American Express	5,470.26	0.00	0 00	0.00	0.00	5,470 26
American Trading I	17,084.50	0 00	0 00	0 00	0 00	17,084 50
Anderson County T	4,760.44	0.00	0 00	0.00	0 00	4,760.44
AT&T	178.14	0.00	0 00	0.00	0.00	178 14
ATF Services	0 00	102.66	0 00	0.00	0.00	102 66
C.H. Robinson Con	3,276 57	496.37	0 00	0.00	0.00	3,772.94
Caine Company, In	653 25	0.00	0.00	0.00	0.00	653.25
CommunitySouth E	3,500.28	0.00	0 00	0.00	0.00	3,500 28
Cooper Sand & Gra	1,204.00	0.00	0.00	0.00	0.00	1,204.00
Custom Laminating	16,406.25	0.00	0.00	0 00	0.00	16,406 25
Cyber Solutions In	0.00	37.50	0 00	0.00	0 00	37 50
Duke Energy	2,496.35	0.00	0.00	0.00	0.00	2,496 35
Dynamic Solutions	0.00	3,691 59	0 00	0 00	0.00	3,691 59
Electric City Utilitie	0.00	113.57	0 00	0.00	0.00	113.57
Fastenal	337.20	0.00	0 00	0.00	0 00	337 20
Flex America, Inc.	0.00	0.00	0.00	0.00	-1,050.00	-1,050.00
Harbor Bridge Inter	0 00	150.00	0 00	0 00	0.00	150 00
John C. Gandis	0.00	1,637.39	0.00	0.00	0.00	1,637 39
Jones Day	2,225.00	1,387.50	0.00	0.00	0.00	3,612.50
Kolon USA Inc.	4,852.43	0.00	0.00	0.00	0.00	4,852.43
Lexus Financial Se	525.52	0.00	0.00	0 00	0.00	525.52
Mitsubishi Polyesti	3,665.75	0 00	0 00	0 00	0.00	3,665.75
Newark Paperboari	4,609.31	0.00	0 00	0.00	-6 45	4,602 86
Palmetto State Trai	1,624.75	841.50	0 00	0.00	0.00	2,466 25
Performance Packa	1,610.41	0.00	0 00	0.00	0.00	1,610.41
Progressive Machi	7,728.00	0.00	0.00	0.00	0.00	7,728.00
Rogers & Brown N	5,318.16	3,543.12	0 00	0.00	0.00	8,861.28
Smith and Waters,	250.00	475 00	0 00	0 00	0.00	725.00
Star Tool Sharpeni	400.00	0.00	0.00	0.00	0.00	400 00
State Farm Insuran	27.65	0 00	0 00	0.00	0.00	27.65
Toray Plastics (Am	23,098.31	0 00	0.00	0 00	0 00	23,098.31
Verizon Wireless	0 00	1,001.97	0 00	0.00	0.00	1,001.97
TOTAL	186,630.84	13,478.17	0.00	0.00	-1,056.45	199,052.56

Portion Paid between 9/30 and 10/6 run date	87,683 64
Balance at 9/30/2011	286,736 20

Carolina Custom Converting LLC
Trial Balance
As of October 31, 2011

12:00 PM
11/09/2011
Accrual Basis

	Oct 31, 11	
	Debit	Credit
Bank of America	65,408.72	
Money Market Account	130,095.42	
SCBT Payroll Account	37,159.25	
Accounts Receivable	460,463.61	
Inventory Asset	955,151.60	
Prepaid Rent		250.00
Building Improvements:Clean Room Improvements	15,810.32	
Building Improvements:New Office Space Addition	5,626.44	
Building Improvements:Trane Air Conditioner-Prod.Area	10,711.38	
Converting Equipment:Appleton Core Cutter	8,000.00	
Converting Equipment:Bailer Cram-o-lot Manual Tie	3,212.72	
Converting Equipment:Baler	4,500.00	
Converting Equipment:CoreTech Series F-3 Core Cutter	4,965.11	
Converting Equipment:Stretch Wrapper	3,230.00	
Converting Equipment:Trim Blowers (7 in total)	3,066.69	
Idle Equipment or CWIP:B3 - 86" Black-Clawson DR-15	38,254.72	
Idle Equipment or CWIP:Corona Treater	10,000.00	
Idle Equipment or CWIP:Machine 4 Rewinder (CIP)	6,946.92	
Idle Equipment or CWIP:Machine 7 - 80" Stand	9,700.00	
Office Equipment:- Sales and Customer Software	3,869.80	
Office Equipment:Allworx Telephone System	7,919 05	
Office Equipment:Color Laser Printer	1,158 00	
Office Equipment:Dell Optiplex 380	1,363.77	
Office Equipment:File Cabinets	1,406.59	
Office Equipment:Laser Printer	401.74	
Office Equipment:Office Cubicles	2,551 00	
Office Equipment:Office Furnishings	1,322.00	
Office Equipment:Server	2,161.75	
Office Equipment:Time Clock	423 99	
Other Equipment:2006 Catepillar Narrow Fork Tru	31,370 00	
Other Equipment:3 Overhead Steel	5,841.31	
Other Equipment:40' Used Shipping Container	2,400.00	
Other Equipment:Iron Force Air Compressor 7.0HP	321.27	
Other Equipment:Kellogg 70 HP ???	0.12	
Other Equipment:Komatso Forklift FB25SH-4	4,678 59	
Other Equipment:Lawnmower/Weeder	420.00	
Other Equipment:Layon Roller #120 Various Width	3,212.72	
Other Equipment:Lincoln SP-200 Mig Welder	1,007.24	
Other Equipment:PantherPlus Digital Floor Scale	584.13	
Other Equipment:Racks	58,963 51	
Other Equipment:Steel Container	2,040 50	
Rewinders:Arpeco Rewinder	8,000.00	
Rewinders:R1-Stanford 188 slit/rew	16,636.56	
Rewinders:R2 - 24" Center Winder Slitter	8,288.27	
Rewinders:R3 - 30" Stanford 638	14,801.11	
Rewinders:R4 - 30" Stanford 1992	10,086.85	
Rewinders:T1 - 4" Dusenbury 750AB Salvag	1,960.33	

Rewinders:T2 4" Dusenbury 750AB Salvage	1,460 33	
Slitters:A1 - 62" Arrow drum	36,557 44	
Slitters:B1 - 84" Bagley-Sewell CS-R	11,047.14	
Slitters:B2 - 100" Duplex Center	64,746 66	
Slitters:D1 - Dusebery 835	30,944 57	
Slitters:K1 - 62" Kamph	9,263.66	
Slitters:S1 -Stanford 338 slit/rew	50,602.71	
Slitters:S2- Selim 54"	11,885.22	
Slitters:S3 - 62" Stanford 338	32,038.05	
Vehicles:Freightliner M2 106 24 Foot Box	57,000 00	
Z. Accum. Depreciation		202,132 62
Cores, Etc	3,013 76	
Accounts Payable		132,506.82
Due to Cadillac Products		43,390 87
Payroll Liabilities		42,810.99
Payroll Liabilities:Employee Co-Pay on Health Ins.		32.44
Payroll Liabilities:Federal Lien - Employee PMJ		120 00
Payroll Liabilities:Federal Unemployment Payable		189 20
Payroll Liabilities:Federal Withholding		6,628 69
Payroll Liabilities:Loan - Employee Tommy McAlister	800.00	
Payroll Liabilities:SC Contingency Assessment		7.57
Payroll Liabilities:State Lien - Employee C.Pickens		539 81
Payroll Liabilities:State Lien - Employee PMJ		100 00
Payroll Liabilities:State Withholding		1,634 46
Equipment Loans - NonRecourse:CommunitySouth Bank		80,512 82
Equipment Loans - NonRecourse:CommunitySouth Offset	23,059 92	
Vehicle Financing:Daimler Finance #		41,199.38
Vehicle Financing:Wells Fargo-Portion Sales Tax		1,604 73
Vehicle Financing:Wells Fargo - Lease for ForkTru		27,101 18
Andrea's Equity Balance:Andrea's Advances	76,761.45	
Andrea's Equity Balance:Andrea's Health Insurance	2,679.67	
Dave's Equity Balance:Dave's Advances	325,103.10	
Dave's Equity Balance:Dave's Advances:Car for Owner - DW:Lexus	28,143.00	
Dave's Equity Balance:Dave's Advances:Car for Owner - DW:Lexus Financial 036 6132661		19,494.14
Dave's Equity Balance:Dave's Advances:Due from Dave - loans @ 10%	122,443.69	
Dave's Equity Balance:Dave's Contributions		3,000 00
Dave's Equity Balance:Dave's Health Insurance	4,876 92	
John's Equity Balance:John's Advances	325,103 44	
John's Equity Balance:John's Advances:Car for Owner-JG:2006 Ford F150	12,480.61	
John's Equity Balance:John's Contributions		3,000 00
John's Equity Balance:John's Health Insurance	4,876 92	
Retained Earnings		2,040,365.16
Rental Income		400 00
Sales - Foil		547,020.48
Sales - High Clarity Films (PET		595 90
Sales - PET		3,096,443 96
Sales - PET Corona Treatment		198,169.83
Sales - PVDC		118,913.19
Sales - White Film		7,476 30
Sales BOPP		46,506 41

Carolina Custom Converting LLC
Trial Balance

11/09/2011

Sales Metalized		549,497.74
w Discount Expense	17,011 20	
x Freight billed to customer		46,024.27
y-Other Sales		616.05
z- Customer Credits	1,454.67	
Direct Labor:Bonus	8,000.00	
Direct Labor:Employee Benefits	12,990.93	
Direct Labor:Federal Unemployment	4,951.21	
Direct Labor:Payroll Taxes - Employer Portio	42,400.54	
Direct Labor:State Unemployment	277.82	
Direct Labor:Vacation Pay/Personal Time Pay	4,693.27	
Direct Labor:Wages - OVERTIME	2,937.97	
Direct Labor:Wages - Production	436,962 53	
Freight - Inbound	68,382.83	
Freight -Outbound	134,095.76	
Materials - Cost of Goods Sold	3,080,280.91	
Outsource Slitting Expenses	19,313.12	
Outsourced Metallizing	36,452.79	
Packaging Costs	41,036.37	
Quality Assurance/Matters	49,581 27	
Sales commission expense	98,732.76	
Vendor Refunds		1,000 00
Advertising Expenses	6,811.33	
Bad Debt Expense		191,171.98
Bank Service Charges	2,211 71	
Business Gifts	225.20	
Business License,Fees,Permits	11,055 35	
Car/Truck Expense:Fuel	10,390.76	
Car/Truck Expense:Repairs & Maintenance	1,295.79	
Contribution	1,050.00	
Credit and Collection Charges	245.02	
Depreciation Expense	70,637 50	
Dues and Subscriptions	900.00	
Equipment Rental	6,450.00	
Insurance:Auto Insurance	2,499.01	
Insurance:General Liability Insurance	1,494 84	
Insurance:Professional Liability Ins.	450.00	
Insurance:Property Insurance	2,674.52	
Insurance:Worker's Compensation	6,466.78	
IT expense (incl. software)	9,644 52	
Legal Expenses	2,806 25	
Office Supplies	8,479 50	
Payroll Processing Expenses	900.00	
Postage and Shipping	4,368.79	
Reconciliation Discrepancies	86 49	
Rent	53,273.44	
Repairs and Maintenance:Labor	13,990.22	
Repairs and Maintenance:Materials/parts	37,318.76	
Sanitation	3,950.57	
Taxes - Property, Ad Valorem	4,969.24	
Telephone, Fax & Internet	18,948.28	

Travel & Ent (BREAKOUT):Ent-Meals w/customers	1,491.03	
Travel & Ent (BREAKOUT):Meals-w/o vendor/customer NOTE	1,039 71	
Travel & Ent (BREAKOUT):Travel (Lodging/Transportation)	9,750 98	
Utilities - Power, Water, etc.	29,256.32	
Wages - SG&A:Employee Benefits	7,490.64	
Wages - SG&A:Wages - Gen & Admin	147,779 27	
Wages - SG&A:Wages - Sales	22,091.93	
Interest Income		5,760.76
Other Income		46,740.86
Set Up Fee		2,175.00
Toll Rewinding Income		343.50
Toll Slitting Income		206,769.66
Trim Waste Sales		75,657.71
Interest Expense	25,473 42	
TOTAL	7,787,904.48	7,787,904.48

Carolina Custom Converting LLC

4:26 PM

A/P Aging Summary

11/08/2011

As of October 31, 2011

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
3M Film Manufacturin	5,808 60	9,916 20	0 00	0.00	0 00	15,724.80
All Balers & Hydraulic	224.16	0 00	0 00	0.00	0.00	224.16
American Express	5,906.87	0.00	0.00	0.00	0 00	5,906.87
American Trading Int.	31,163.00	0.00	0.00	0.00	0.00	31,163.00
Anderson County Tre:	4,760.44	0.00	0.00	0.00	0.00	4,760.44
AzkoNobel Specialty I	5,204.25	0.00	0 00	0.00	0.00	5,204.25
Bayne's Pallets Sales	685.00	0.00	0.00	0.00	0.00	685 00
C.H. Robinson Comp:	2,913.26	0.00	0 00	0.00	0 00	2,913.26
Caine Company, Inc.	653.25	0 00	0 00	0.00	0.00	653 25
Custom Laminating C	16,406.25	0 00	0.00	0.00	0.00	16,406 25
Cyber Solutions Inc.	169.50	2,639.34	0.00	0.00	0.00	2,808 84
David Wilson	1,092.61	0.00	0.00	0.00	0.00	1,092 61
Everest Scale, Inc	554.20	0 00	0.00	0.00	0.00	554 20
FedEx	17.80	0 00	0.00	0.00	0.00	17.80
Flex America, Inc.	0.00	0 00	0.00	0.00	-1,050.00	-1,050.00
Hangshou Dahua Pla:	0.00	-8,562.60	0.00	0.00	0.00	-8,562.60
Inteplast Group, Ltd (	1,505.60	0.00	0.00	0.00	0 00	1,505 60
John C. Gandis	378 25	0 00	0 00	0.00	0.00	378 25
Jones Day	3,212.50	0 00	0 00	0.00	0.00	3,212 50
M&R Metal Fabricatio	85.00	0 00	0.00	0.00	0.00	85.00
Mitsubishi Polyester I	24,117.10	0 00	0 00	0.00	0.00	24,117.10
Newark Paperboard P	4,609.31	0 00	0 00	0 00	-6.45	4,602.86
Palmetto State Transp	2,532.98	0.00	0.00	0.00	0.00	2,532 98
Performance Packagi	1,610.41	0 00	0.00	0.00	0.00	1,610.41
Polymer Marketing	174.00	0 00	0 00	0 00	0.00	174.00
Progressive Machinin	1,622 50	0.00	0.00	0.00	0.00	1,622.50
Rogers & Brown Nort	15,084 97	6,508.87	0.00	0 00	0.00	21,593.84
Schriver Properties 2	3,000.00	0 00	0 00	0.00	0.00	3,000.00
Star Tool Sharpening	250.00	0 00	0.00	0 00	0.00	250 00
Streamiline Bookkeep	709.46	0 00	0.00	0.00	0.00	709.46
Toray Plastics (Ameri	25,615.80	18,324.18	0.00	0.00	0 00	43,939.98
Underwriters Laborat	676.00	0.00	0 00	0.00	0.00	676.00
Verizon Wireless	991.62	0 00	0 00	0.00	0.00	991.62
Wellpath Select Inc	-4,100.81	0 00	0 00	0.00	0.00	-4,100.81
Xiamen Changtian En	0.00	-37,060 75	0 00	-15,835.85	0 00	-52,896.60
TOTAL	157,633.88	-8,234.76	0.00	-15,835.85	-1,056.45	132,506.82

Add Back Prepayment on Film Deposit	52,896 60
Accounts Payable on October 31, 2011	185,403.42

Carolina Custom Converting LLC
Trial Balance
As of September 30, 2011

Carolina Custom Converting LLC
Trial Balance
As of November 30 , 2011

	Nov 30, Debit
Bank of America	35,371.34
Money Market Account	119,343.80
SCBT Payroll Account	74,641 81
suspense acct	2,663 34
Accounts Receivable	346,598.18
Inventory Asset	836,061.42
Prepaid Rent	
Building Improvements:Clean Room Improvements	12,301 00
Building Improvements:New Office Space Addition	5,910 07
Building Improvements:Trane Air Conditioner-Prod.Area	10,711 38
Converting Equipment:Appleton Core Cutter	8,000 00
Converting Equipment:Bailer Cram-o-lot Manual Tie	3,212 72
Converting Equipment:Baler	4,500 00
Converting Equipment:CoreTech Series F-3 Core Cutter	4,965.11
Converting Equipment:Stretch Wrapper	3,230.00
Converting Equipment:Trim Blowers (7 in total)	3,066 69
Idle Equipment or CWIP:B3 - 86" Black-Clawson DR-15	665 00
Office Equipment:- Sales and Customer Software	3,869 80
Office Equipment:Allworx Telephone System	7,919 05
Office Equipment:Color Laser Printer	1,158.00
Office Equipment:Dell Optiplex 380	1,363.77
Office Equipment:File Cabinets	1,406 59
Office Equipment:Laser Printer	401.74
Office Equipment:Office Cubicles	2,551.00
Office Equipment:Office Furnishings	1,322 00
Office Equipment:Server	2,161 75
Office Equipment:Time Clock	423 99
Other Equipment:2006 Catepillar Narrow Fork Tru	31,370.00
Other Equipment:3 Overhead Steel	5,841 31
Other Equipment:40' Used Shipping Container	2,400 00
Other Equipment:Iron Force Air Compressor 7.0HP	321 27
Other Equipment:Kellogg 70 HP ???	0 12
Other Equipment:Komatso Forklift FB25SH-4	4,678.59
Other Equipment:Lawnmower/Weeder	420 00
Other Equipment:Layon Roller #120 Various Width	3,212.72
Other Equipment:Lincoln SP-200 Mig Welder	785 00
Other Equipment:PantherPlus Digital Floor Scale	584 13
Other Equipment:Racks	58,963 51
Other Equipment:Steel Container	2,040 50
Rewinders:Arpeco Rewinder	8,000 00
Rewinders:R1-Stanford 188 slit/rew	16,636 56
Rewinders:R2 - 24" Center Winder Slitter	7,885 77
Rewinders:R3 - 30" Stanford 638	11,974 69
Rewinders:R4 - 30" Stanford 1992	6,500 00
Rewinders:T1 - 4" Dusenbury 750AB Salvag	1,960 33
Rewinders:T2 4" Dusenbury 750AB Salvage	1,460 33
Slitters:A1 - 62" Arrow drum	36,557 44

Carolina Custom Converting LLC
Trial Balance
As of September 30, 2011

Carolina Custom Converting LLC
Trial Balance

Slitters:B1 - 84" Bagley-Sewell CS-R	10,266.14
Slitters:B2 - 100" Duplex Center	52,709.08
Slitters:D1 - Dusebery 835	30,944.57
Slitters:K1 - 62" Kamph	7,570 60
Slitters:S1 -Stanford 338 slit/rew-	45,962.71
Slitters:S2- Selim 54"	11,885 22
Slitters:S3 - 62" Stanford 338	30,118.05
Vehicles:Freightliner M2 106 24 Foot Box	57,000 00
Z. Accum. Depreciation	
Cores, Etc	3,013.76
Accounts Payable	
AMEX - 41006	
Deposits on Open Orders	
Due to Cadillac Products	
Payroll Liabilities	
Payroll Liabilities:Federal Lien - Employee PMJ	
Payroll Liabilities:Federal Unemployment Payable	
Payroll Liabilities:SC Contingency Assessment	
Payroll Liabilities:State Lien - Employee C.Pickens	
Equipment Loans - NonRecourse:Appalachian Development Corp	
Equipment Loans - NonRecourse:CommunitySouth Bank	
Vehicle Financing:Daimler Finance #	
Vehicle Financing:Wells Fargo-Portion Sales Tax	
Vehicle Financing:Wells Fargo - Lease for ForkTru	
Andrea's Equity Balance:Andrea's Advances	86,761 45
Andrea's Equity Balance:Andrea's Health Insurance	3,445.29
Dave's Equity Balance:Dave's Advances	370,103.10
Dave's Equity Balance:Dave's Advances:Car for Owner - DW:Lexus	28,143 00
Dave's Equity Balance:Dave's Advances:Car for Owner - DW:Lexus Financial 036 6132661	
Dave's Equity Balance:Dave's Advances:Due from Dave - loans @ 10%	89,443 69
Dave's Equity Balance:Dave's Contributions	
Dave's Equity Balance:Dave's Health Insurance	5,960 68
John's Equity Balance:John's Advances	370,103 44
John's Equity Balance:John's Advances:Car for Owner-JG:2006 Ford F150	12,480 61
John's Equity Balance:John's Contributions	
John's Equity Balance:John's Health Insurance	5,960 68
Retained Earnings	
Rental Income	
Sales - Foil	
Sales - High Clarity Films (PET	
Sales - PET	
Sales - PET Corona Treatment	
Sales - PVDC	
Sales - White Film	
Sales BOPP	
Sales Metalized	
w Discount Expense	17,315 11
x Freight billed to customer	
y-Other Sales	
z- Customer Credits	1,454 67

Carolina Custom Converting LLC
Trial Balance
As of September 30, 2011

Carolina Custom Converting LLC
Trial Balance

Direct Labor:Bonus	8,000 00
Direct Labor:Employee Benefits	15,412.16
Direct Labor:Federal Unemployment	4,951.21
Direct Labor:Payroll Taxes - Employer Portio	42,400 54
Direct Labor:State Unemployment	277 82
Direct Labor:Vacation Pay/Personal Time Pay	4,693 27
Direct Labor:Wages - OVERTIME	2,937 97
Direct Labor:Wages - Production	443,209 81
Freight - Inbound	69,770 69
Freight -Outbound	143,963 94
Materials - Cost of Goods Sold	3,487,904 19
Outsource Slitting Expenses	19,313 12
Outsourced Metallizing	38,267 33
Packaging Costs	42,675 26
Quality Assurance/Matters	64,791 71
Sales commission expense	106,976 66
Vendor Refunds	
Advertising Expenses	7,306.33
Bad Debt Expense	
Bank Service Charges	2,398 66
Business Gifts	225 20
Business License,Fees,Permits	11,055 35
Car/Truck Expense:Fuel	10,910 98
Car/Truck Expense:Repairs & Maintenance	1,314 87
Contribution	1,050 00
Credit and Collection Charges	347 73
Depreciation Expense	94,296 04
Dues and Subscriptions	900 00
Equipment Rental	6,450 00
Insurance:Auto Insurance	2,499 01
Insurance:General Liability Insurance	1,494.84
Insurance:Professional Liability Ins.	450 00
Insurance:Property Insurance	3,789 55
Insurance:Worker's Compensation	6,466 78
IT expense (incl. software)	9,693 02
Legal Expenses	2,806 25
Loss of Sale	115,416 94
Miscellaneous	
Office Supplies	9,233 50
Payroll Processing Expenses	1,058 98
Postage and Shipping	5,897.81
Reconciliation Discrepancies	86 49
Rent	59,310 69
Repairs and Maintenance	38,090.40
Repairs and Maintenance:Clean Room	3,509 32
Repairs and Maintenance:Labor	15,664 38
Repairs and Maintenance:Materials/parts	43,074 34
Sanitation	4,483 49
Taxes - Property, Ad Valorem	6,627 27
Telephone, Fax & Internet	20,924 84
Travel & Ent (BREAKOUT):Ent-Meals w/customers	1,490 82

Carolina Custom Converting LLC
Trial Balance
As of September 30, 2011

Carolina Custom Converting LLC
Trial Balance

	Travel & Ent (BREAKOUT):Meals-w/o vendor/customer NOTE	1,072 33
	Travel & Ent (BREAKOUT):Travel (Lodging/Transportation)	9,793 88
	Utilities - Power, Water, etc.	32,014.59
	Wages - SG&A:Employee Benefits	9,109.66
	Wages - SG&A:Wages - Gen & Admin	150,591.01
	Wages - SG&A:Wages - Sales	22,091.93
	Interest Income	
TOTAL	Other Income	
	Set Up Fee	
	Toll Rewinding Income	
	Toll Slitting Income	
	Trim Waste Sales	
	Interest Expense	26,532 83
		8,171,129.46

Carolina Custom Converting LLC
Trial Balance
As of September 30, 2011

Carolina Custom Converting LLC
Trial Balance
As of November 30 , 2011

	Credit
Bank of America	
Money Market Account	
SCBT Payroll Account	
suspense acct	
Accounts Receivable	
Inventory Asset	
Prepaid Rent	100 00
Building Improvements:Clean Room Improvements	
Building Improvements:New Office Space Addition	
Building Improvements:Trane Air Conditioner-Prod.Area	
Converting Equipment:Appleton Core Cutter	
Converting Equipment:Bailer Cram-o-lot Manual Tie	
Converting Equipment:Baler	
Converting Equipment:CoreTech Series F-3 Core Cutter	
Converting Equipment:Stretch Wrapper	
Converting Equipment:Trim Blowers (7 in total)	
Idle Equipment or CWIP:B3 - 86" Black-Clawson DR-15	
Office Equipment:- Sales and Customer Software	
Office Equipment:Allworx Telephone System	
Office Equipment:Color Laser Printer	
Office Equipment:Dell Optiplex 380	
Office Equipment:File Cabinets	
Office Equipment:Laser Printer	
Office Equipment:Office Cubicles	
Office Equipment:Office Furnishings	
Office Equipment:Server	
Office Equipment:Time Clock	
Other Equipment:2006 Catepillar Narrow Fork Tru	
Other Equipment:3 Overhead Steel	
Other Equipment:40' Used Shipping Container	
Other Equipment:Iron Force Air Compressor 7.0HP	
Other Equipment:Kellogg 70 HP ???	
Other Equipment:Komatso Forklift FB25SH-4	
Other Equipment:Lawnmower/Weeder	
Other Equipment:Layon Roller #120 Various Width	
Other Equipment:Lincoln SP-200 Mig Welder	
Other Equipment:PantherPlus Digital Floor Scale	
Other Equipment:Racks	
Other Equipment:Steel Container	
Rewinders:Arpeco Rewinder	
Rewinders:R1-Stanford 188 slit/rew	
Rewinders:R2 - 24" Center Winder Slitter	
Rewinders:R3 - 30" Stanford 638	
Rewinders:R4 - 30" Stanford 1992	
Rewinders:T1 - 4" Dusenbury 750AB Salvag	
Rewinders:T2 4" Dusenbury 750AB Salvage	
Slitters:A1 - 62" Arrow drum	

Carolina Custom Converting LLC
Trial Balance
As of September 30, 2011

Carolina Custom Converting LLC
Trial Balance

Slitters:B1 - 84" Bagley-Sewell CS-R	
Slitters:B2 - 100" Duplex Center	
Slitters:D1 - Dusebery 835	
Slitters:K1 - 62" Kamph	
Slitters:S1 -Stanford 338 slit/rew	
Slitters:S2- Selim 54"	
Slitters:S3 - 62" Stanford 338	
Vehicles:Freightliner M2 106 24 Foot Box	
Z. Accum. Depreciation	225,791 16
Cores, Etc	
Accounts Payable	233,577 56
AMEX - 41006	2 99
Deposits on Open Orders	1,400.00
Due to Cadillac Products	57,788.81
Payroll Liabilities	940 28
Payroll Liabilities:Federal Lien - Employee PMJ	120.00
Payroll Liabilities:Federal Unemployment Payable	189 20
Payroll Liabilities:SC Contingency Assessment	7 57
Payroll Liabilities:State Lien - Employee C.Pickens	539 81
Equipment Loans - NonRecourse:Appalachian Development Corp	25,698 38
Equipment Loans - NonRecourse:CommunitySouth Bank	77,572 01
Vehicle Financing:Daimler Finance #	40,446.62
Vehicle Financing:Wells Fargo-Portion Sales Tax	1,551 64
Vehicle Financing:Wells Fargo - Lease for ForkTru	26,336.95
Andrea's Equity Balance:Andrea's Advances	
Andrea's Equity Balance:Andrea's Health Insurance	
Dave's Equity Balance:Dave's Advances	
Dave's Equity Balance:Dave's Advances:Car for Owner - DW:Lexus	
Dave's Equity Balance:Dave's Advances:Car for Owner - DW:Lexus Financial 036 6132661	19,045.36
Dave's Equity Balance:Dave's Advances:Due from Dave - loans @ 10%	
Dave's Equity Balance:Dave's Contributions	3,000.00
Dave's Equity Balance:Dave's Health Insurance	
John's Equity Balance:John's Advances	
John's Equity Balance:John's Advances:Car for Owner-JG:2006 Ford F150	
John's Equity Balance:John's Contributions	3,000 00
John's Equity Balance:John's Health Insurance	
Retained Earnings	2,040,365 16
Rental Income	550 00
Sales - Foil	547,020 48
Sales - High Clarity Films (PET	595 90
Sales - PET	3,267,725 59
Sales - PET Corona Treatment	232,170 29
Sales - PVDC	139,423 39
Sales - White Film	7,476 30
Sales BOPP	46,506 41
Sales Metalized	589,111 36
w Discount Expense	
x Freight billed to customer	46,921.25
y-Other Sales	616 05
z- Customer Credits	

Carolina Custom Converting LLC
Trial Balance
As of September 30, 2011

Carolina Custom Converting LLC
Trial Balance

Direct Labor:Bonus	
Direct Labor:Employee Benefits	
Direct Labor:Federal Unemployment	
Direct Labor:Payroll Taxes - Employer Portio	
Direct Labor:State Unemployment	
Direct Labor:Vacation Pay/Personal Time Pay	
Direct Labor:Wages - OVERTIME	
Direct Labor:Wages - Production	
Freight - Inbound	
Freight -Outbound	
Materials - Cost of Goods Sold	
Outsource Slitting Expenses	
Outsourced Metallizing	
Packaging Costs	
Quality Assurance/Matters	
Sales commission expense	
Vendor Refunds	1,000 00
Advertising Expenses	
Bad Debt Expense	191,171.58
Bank Service Charges	
Business Gifts	
Business License,Fees,Permits	
Car/Truck Expense:Fuel	
Car/Truck Expense:Repairs & Maintenance	
Contribution	
Credit and Collection Charges	
Depreciation Expense	
Dues and Subscriptions	
Equipment Rental	
Insurance:Auto Insurance	
Insurance:General Liability Insurance	
Insurance:Professional Liability Ins.	
Insurance:Property Insurance	
Insurance:Worker's Compensation	
IT expense (incl. software)	
Legal Expenses	
Loss of Sale	
Miscellaneous	1 39
Office Supplies	
Payroll Processing Expenses	
Postage and Shipping	
Reconciliation Discrepancies	
Rent	
Repairs and Maintenance	
Repairs and Maintenance:Clean Room	
Repairs and Maintenance:Labor	
Repairs and Maintenance:Materials/parts	
Sanitation	
Taxes - Property, Ad Valorem	
Telephone, Fax & Internet	
Travel & Ent (BREAKOUT):Ent-Meals w/customers	

Carolina Custom Converting LLC
Trial Balance
As of September 30, 2011

	Travel & Ent (BREAKOUT):Meals-w/o vendor/customer NOTE	
	Travel & Ent (BREAKOUT):Travel (Lodging/Transportation)	
	Utilities - Power, Water, etc.	
	Wages - SG&A:Employee Benefits	
	Wages - SG&A:Wages - Gen & Admin	
	Wages - SG&A:Wages - Sales	
	Interest Income	6,157.27
TOTAL	Other Income	45,958 27
	Set Up Fee	2,625 00
	Toll Rewinding Income	1,131 20
	Toll Slitting Income	220,002 42
	Trim Waste Sales	67,491.81
	Interest Expense	
		8,171,129.46

Carolina Custom Converting LLC

10:02 AM

A/P Aging Summary

12/09/2011

As of November 30, 2011

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Abet Packaging	13,728 60	0.00	0.00	0.00	0 00	13,728.60
American Express	8,060.34	0.00	0 00	0.00	0.00	8,060.34
American Sales Group, Inc.	315.00	0.00	0.00	0.00	0 00	315.00
American Trading Int.	14,306.50	22,060 00	0 00	0.00	0 00	36,366.50
Anderson County Treasurer	4,760.44	0.00	0.00	0.00	0 00	4,760.44
Andrea Comeau-Shirley	429.26	0.00	0.00	0.00	0.00	429.26
ATF Services	135.34	0.00	0.00	0.00	0.00	135.34
C.H. Robinson Company, Inc.	5,845.66	0.00	0.00	0.00	0 00	5,845.66
Christopher S Caley	0.00	420.00	1,105.50	0.00	0.00	1,525.50
Consolidated Label Co.	100.00	0.00	0.00	0.00	0 00	100.00
David Wilson	1,092.61	0.00	0.00	0.00	0 00	1,092.61
Duke Energy	0.00	86.35	0.00	0.00	0.00	86.35
Everest Scale, Inc	334.20	0.00	0.00	0.00	0.00	334.20
Filmtech	2,115.10	0.00	0.00	0.00	0.00	2,115.10
Flex America, Inc.	0.00	0.00	0.00	0.00	-1,050.00	-1,050 00
Green Gate LLC	653.25	0.00	0.00	0.00	0.00	653.25
Hangshou Dahua Plastics Indu	0 00	8,562.60	-8,562.60	0.00	0.00	0.00
Helena Mayfield	0.00	75.31	0.00	0.00	0.00	75.31
Hill Manufacturing Company, Ir	141.18	0.00	0.00	0.00	0.00	141.18
Imperial Metrology	76.16	0 00	0.00	0 00	0.00	76.16
Inteplast Group, Ltd (AmTopp)	2,563 40	0.00	0.00	0.00	0 00	2,563 40
JBF RAK LLC	0.00	0.00	0.00	0.00	0.00	0 00
Jones Day	1,800.00	0.00	0.00	0.00	0 00	1,800.00
M&R Metal Fabrication	150 00	0.00	0.00	0.00	0 00	150 00
Mitsubishi Polyester Film, Inc.	39,094.65	0.00	0.00	0.00	0.00	39,094.65
Newark Paperboard Products	1,046 95	0.00	0.00	0.00	-6.45	1,040.50
Palmetto State Transportation (	2,919.90	0.00	0.00	0 00	0 00	2,919.90
Performance Packaging, Inc.	276.94	0 00	0.00	0.00	0.00	276.94
Progressive Machining & Fabri	14,315.30	0.00	0.00	0.00	0.00	14,315.30
Rogers & Brown North Americ:	2,623.65	0 00	0.00	0 00	0 00	2,623.65
Rol-Vac LP	0.00	-300.56	0 00	0 00	0.00	-300 56
Schriver Properties 2 LLC	2,000 00	0 00	0.00	0 00	0 00	2,000.00
Streamiline Bookkeeping	0.00	696 40	0 00	0 00	0.00	696 40
Toray Plastics (America), Inc.	78,271 62	10,248.12	0.00	0 00	0 00	88,519.74
Underwriters Laboratories Inc.	0.00	676 00	0 00	0 00	0 00	676 00
Verizon Wireless	0.00	1,042.52	0 00	0 00	0.00	1,042 52
Wells Fargo Equipment Financ	884.00	0.00	0.00	0.00	0.00	884 00
Windstream Communications	0.00	484.32	0.00	0 00	0.00	484.32
TOTAL	198,040.05	44,051.06	-7,457.10	0.00	-1,056.45	233,577.56

Carolina Custom Converting LLC
Trial Balance

10:26 AM
01/10/2012

	Dec 31, 11	
	Debit	Credit
Bank of America	49,834.54	
Money Market Account	45,269.77	
Reserved for Tax Distributions		147,636.01
SCBT Payroll Account	40,774.73	
Accounts Receivable	411,099.11	
Inventory Asset	522,501.23	
Inventory Reserve:BoPP Reserve - Remnants		11,500.00
Inventory Reserve:Nylon Reserve, incl. Remnants		8,000.00
Inventory Reserve:Obsolete Inventory Reserve		67,500.00
Inventory Reserve:White Film Reserve		14,250.00
Building Improvements:Clean Room Improvements	12,301.00	
Building Improvements:New Office Space Addition	5,910.07	
Building Improvements:Trane Air Conditioner-Prod.Area	10,711.38	
Converting Equipment:Appleton Core Cutter	8,000.00	
Converting Equipment:Bailer Cram-o-lot Manual Tie	3,212 72	
Converting Equipment:Baler	4,500 00	
Converting Equipment:CoreTech Series F-3 Core Cutter	4,965.11	
Converting Equipment:Stretch Wrapper	3,230.00	
Converting Equipment:Trim Blowers (7 in total)	3,066.69	
Idle Equipment or CWIP:B3 - 86" Black-Clawson DR-15	40,676.72	
Idle Equipment or CWIP:Corona Treater	10,000 00	
Idle Equipment or CWIP:Machine 4 Rewinder (CIP)	6,946 92	
Idle Equipment or CWIP:Machine 7 - 80" Stand	9,700 00	
Office Equipment	148.33	
Office Equipment:- Sales and Customer Software	3,869.80	
Office Equipment:Allworx Telephone System	7,919.05	
Office Equipment:Color Laser Printer	1,158.00	
Office Equipment:Dell Optiplex 380	1,363.77	
Office Equipment:File Cabinets	1,406.59	
Office Equipment:Laser Printer	401 74	
Office Equipment:Office Cubicles	2,551.00	
Office Equipment:Office Furnishings	1,322.00	
Office Equipment:Server	2,161.75	
Office Equipment:Time Clock	423.99	
Other Equipment:2006 Catepillar Narrow Fork Tru	31,370.00	
Other Equipment:3 Overhead Steel	5,841.31	
Other Equipment:40' Used Shipping Container	2,400.00	
Other Equipment:Iron Force Air Compressor 7.0HP	321.27	
Other Equipment:Kellogg 70 HP ???	0.12	
Other Equipment:Komatso Forklift FB25SH-4	4,678.59	
Other Equipment:Lawnmower/Weeder	420 00	
Other Equipment:Layon Roller #120 Various Width	3,212.72	
Other Equipment:Lincoln SP-200 Mig Welder	785 00	
Other Equipment:PantherPlus Digital Floor Scale	584.13	
Other Equipment:Racks	58,963 51	
Other Equipment:Steel Container	2,040 50	
Rewinders:Arpeco Rewinder	8,000.00	
Rewinders:R1-Stanford 188 slit/rew	16,636 56	

Rewinders:R2 - 24" Center Winder Slitter	7,885 77	
Rewinders:R3 - 30" Stanford 638	11,974.69	
Rewinders:R4 - 30" Stanford 1992	6,500.00	
Rewinders:T1 - 4" Dusenbury 750AB Salvag	1,960.33	
Rewinders:T2 4" Dusenbury 750AB Salvage	1,460.33	
Slitters:A1 - 62" Arrow drum	36,557 44	
Slitters:B1 - 84" Bagley-Sewell CS-R	10,266.14	
Slitters:B2 - 100" Duplex Center	52,709 08	
Slitters:D1 - Dusebery 835	30,944.57	
Slitters:K1 - 62" Kamph	56,328 90	
Slitters:S1 -Stanford 338 slit/rew	45,962.71	
Slitters:S2- Selim 54"	11,885 22	
Slitters:S3 - 62" Stanford 338	30,118 05	
Vehicles:Freightliner M2 106 24 Foot Box	57,000 00	
Z. Accum. Depreciation		508,815.97
Accounts Payable		124,288.15
Accrued Expenses		69,963.57
Due to Cadillac Products		57,788.81
Due to LeHigh Outfitters	633 27	
Payroll Liabilities		17.96
Payroll Liabilities:C.Pickens-Child Support 111.66/		58.28
Payroll Liabilities:D Green - Child Support 125.49/		250.98
Payroll Liabilities:D.Bell-Child Support-78.46		78.46
Payroll Liabilities:Federal Unemployment Payable		1,635.99
Payroll Liabilities:Federal Withholding		57 90
Payroll Liabilities:SC Contingency Assessment		198.29
Payroll Liabilities:State unemployment Payable		796 00
Payroll Liabilities:State Withholding	11 00	
Warranty Reserve		15,000 00
Equipment Loans - NonRecourse:Appalachian Development Corp		25,698.38
Equipment Loans - NonRecourse:CommunitySouth Bank		74,631.20
Preference on Units		100,000.00
Vehicle Financing:Daimler Finance #		39,678 74
Vehicle Financing:Wells Fargo-Portion Sales Tax		1,498 55
Vehicle Financing:Wells Fargo - Lease for ForkTru		25,569 32
Andrea's Equity Balance:Andrea's Advances	86,761.45	
Andrea's Equity Balance:Andrea's Health Insurance	3,828.10	
Dave's Equity Balance:Dave's Advances	382,584.05	
Dave's Equity Balance:Dave's Advances:Due from Dave - loans @ 10%	136,659.29	
Dave's Equity Balance:Dave's Contributions		3,000 00
Dave's Equity Balance:Dave's Health Insurance	6,502 56	
Due from Dave - Partner Loans	2,131 69	
John's Equity Balance:John's Advances	382,584 05	
John's Equity Balance:John's Contributions		3,000 00
John's Equity Balance:John's Health Insurance	6,502 56	
Retained Earnings		2,040,365.16
Tax Distributions Payable	147,636 01	
Rental Income		650.00
Sales - Foil		640,183 58
Sales - High Clarity Films (PET		595.90

Sales - PET		3,385,607.30
Sales - PET Corona Treatment		241,429.14
Sales - PVDC		229,845.36
Sales - White Film		19,816.10
Sales BOPP		80,600.89
Sales Metalized		626,857.96
w Discount Expense	17,482.22	
x Freight billed to customer		50,177 88
y-Other Sales		616.05
z- Customer Credits	1,454.67	
Direct Labor:Bonus	26,168.00	
Direct Labor:Employee Benefits	24,407.56	
Direct Labor:Federal Unemployment	6,398.00	
Direct Labor:Payroll Taxes - Employer Portio	51,931.51	
Direct Labor:State Unemployment	1,264.54	
Direct Labor:Vacation Pay/Personal Time Pay	22,838.00	
Direct Labor:Wages - OVERTIME	4,728.29	
Direct Labor:Wages - Production	450,927 61	
Freight - Inbound	73,807.94	
Freight -Outbound	166,112 55	
Inventory Reserves	93,250.00	
Materials - Cost of Goods Sold	3,936,118.63	
Outsource Slitting Expenses	19,313.12	
Outsourced Metallizing	38,567.33	
Packaging Costs	47,460 21	
Quality Assurance/Matters	80,601.21	
Sales commission expense	124,724.23	
Vendor Refunds		1,000.00
Advertising Expenses	7,598.83	
Ask ANDREA before month end	1,000.00	
Bad Debt Expense		178,338.95
Bank Service Charges	2,470.61	
Business Gifts	1,127.16	
Business License,Fees,Permits	11,055 35	
Car/Truck Expense:Fuel	11,378.57	
Car/Truck Expense:Repairs & Maintenance	1,038.66	
Contribution	1,050.00	
Credit and Collection Charges	2,172.40	
Depreciation Expense	377,320.85	
Dues and Subscriptions	900.00	
Equipment Rental	6,450.00	
Insurance:Auto Insurance	2,270 35	
Insurance:General Liability Insurance	1,494 84	
Insurance:Professional Liability Ins.	450.00	
Insurance:Property Insurance	4,164.54	
Insurance:Worker's Compensation	12,356.55	
IT expense (incl. software)	10,108.93	
Legal Expenses	18,650.00	
Miscellaneous		1.39
Office Supplies	9,590.24	
Payroll Processing Expenses	1,058 98	

Postage and Shipping	6,199.72	
Preference for Minority	100,000 00	
Reconciliation Discrepancies	86 49	
Rent	63,579.94	
Repairs and Maintenance	38,090 40	
Repairs and Maintenance:Clean Room	3,509 32	
Repairs and Maintenance:Labor	15,941.88	
Repairs and Maintenance:Materials/parts	44,225.11	
Sanitation	4,851.41	
Taxes - Property, Ad Valorem	6,627.27	
Telephone, Fax & Internet	22,678.26	
Travel & Ent (BREAKOUT):Ent-Meals w/customers	1,710.82	
Travel & Ent (BREAKOUT):Meals-w/o vendor/customer NOTE	1,090.56	
Travel & Ent (BREAKOUT):Travel (Lodging/Transportation)	10,294.08	
Utilities - Power, Water, etc.	34,495.45	
Wages - SG&A:Employee Benefits	8,969.66	
Wages - SG&A:Wages - Gen & Admin	187,089 26	
Wages - SG&A:Wages - Sales	36,343.22	-
Interest Income		11,545.51
Other Income		45,958.27
Set Up Fee		2,775.00
Toll Rewinding Income		2,361.95
Toll Slitting Income		223,519 92
Trim Waste Sales		68,190.45
Interest Expense	26,237 01	
TOTAL	9,151,349.32	9,151,349.32

Carolina Custom Converting LLC

10:24 AM

A/P Aging Summary

01/10/2012

As of December 31, 2011

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
3M	17,668.37	0.00	0.00	0.00	0.00	17,668.37
Abet Packaging	8,635.20	14,391 90	0.00	0.00	0.00	23,027.10
Air Diffusion Council	0.00	220.00	0.00	0.00	0.00	220.00
American Express	7,782 32	0.00	0.00	0.00	0.00	7,782.32
Andrea Comeau-Shirley	0 00	148.33	0.00	0.00	0.00	148.33
AT&T	180.19	0.00	0.00	0.00	0.00	180.19
ATF Services	60 00	0.00	0.00	0.00	0.00	60.00
Blossman Gas	231.00	0 00	0.00	0.00	0.00	231 00
BPR Plastic	0.00	32,745.00	0.00	0.00	0.00	32,745.00
C.H. Robinson Company,	4,430.02	0.00	0.00	0.00	0 00	4,430.02
Consolidated Label Co.	100.00	0 00	0.00	0.00	0.00	100 00
Cooper Sand & Gravel Co	809.50	0.00	0.00	0.00	0.00	809 50
Custom Laminating Corp.	8,125.00	0.00	0.00	0.00	0 00	8,125.00
Cyber Solutions Inc.	290 00	0 00	0.00	0.00	0.00	290.00
Duke Energy	36.47	0 00	0.00	0.00	0.00	36 47
Electric City Utilities	113 57	0 00	0.00	0.00	0 00	113.57
Everest Scale, Inc	217.50	0.00	0.00	0.00	0.00	217.50
Fastenal	374.59	0 00	0.00	0.00	0 00	374.59
Flex America, Inc.	0.00	0.00	0.00	0.00	0.00	0.00
Inteplast Group, Ltd (AmT	952.20	0 00	0 00	0.00	0.00	952.20
James J. Bucks	0 00	326 19	0.00	0.00	0.00	326.19
JBF RAK LLC	0.00	-32,293.16	-14,760.00	0.00	0.00	-47,053 16
John C. Gandis	0.00	668 38	0.00	0.00	0.00	668.38
Jones Day	843 75	0 00	0.00	0.00	0.00	843 75
M&R Metal Fabrication	150.00	0.00	0.00	0.00	0.00	150.00
Mitsubishi Polyester Film,	4,259.60	0.00	0.00	0.00	0.00	4,259.60
Newark Paperboard Prodt	0 00	0.00	0.00	0.00	-6.45	-6.45
Palmetto State Transporte	5,050.95	0 00	0.00	0.00	0.00	5,050.95
Progressive Machining &	0.00	12,464 82	0.00	0.00	0.00	12,464 82
Rogers & Brown North An	2,340.00	0.00	0.00	0.00	0.00	2,340.00
Rol-Vac LP	0.00	0.00	-300.56	0.00	0 00	-300 56
Streamline Bookkeeping	0 00	522 30	0.00	0.00	0.00	522 30
The Hartford	1,889 77	0.00	0.00	0.00	0 00	1,889.77
Toray Plastics (America), I	43,910 90	0 00	0 00	0.00	0 00	43,910 90
Valley Spring Water & Col	98 56	0.00	0.00	0.00	0.00	98 56
Verizon Wireless	1,070.36	0.00	0.00	0.00	0.00	1,070.36
Wells Fargo Equipment Fi	0.00	55.66	0.00	0.00	0 00	55.66
Windstream Communicati	485 92	0.00	0.00	0.00	0 00	485 92
TOTAL	**110,105.74**	**29,249.42**	**-15,060.56**	**0.00**	**-6.45**	**124,288.15**

Add Back - Prepayment for Film	47,053 16
Total Accounts Payable at 12/31/2011	171,341.31

From: Steve Norvell <snorvell@freshwatersystems.com>
Sent: Monday, January 02, 2012 3:00 PM
To: 'Dave Wilson'; 'Anthony Baumann'
Subject: RE: Carolina Custom Converting

I'll send out an updated calendar event. I'll have to cut out at 3:20p to make my weekly appointment w/ my masseuse ☺

From: Dave Wilson [mailto:davewilsonsr@charter.net]
Sent: Monday, January 02, 2012 2:57 PM
To: 'Anthony Baumann'; 'Steve Norvell'
Subject: RE: Carolina Custom Converting

Hi Anthony,

I'm looking forward to our discussion on Wednesday and will be prepared to discuss the questions both and Steve have outlined. 2:30 EST works for me if Steve is available.

Regards,

Dave

From: Anthony Baumann [mailto:abaumnn@gmail.com]
Sent: Monday, January 02, 2012 2:03 PM
To: Steve Norvell
Cc: Dave Wilson
Subject: Re: Carolina Custom Converting

Thanks Steve,

Hi Dave. I think Steve's assessment of the phone call is spot on re· general information Additional information that I will be interested in learning about is the market, your customers, use of the product and competitive environment. What makes your business different or better than the competition and is it a sustainable business over the long-term and why is that the case? I am also interested in learning about the challenges your business has experienced and the outlook for the future with respect to those challenges

I look forward to the call on Wednesday.

Anthony

On Mon, Jan 2, 2012 at 8·55 AM, Steve Norvell <snorvell@freshwatersystems com> wrote

Hey Anthony,

Great to catch up with you yesterday and hope the V-Ball tourney was a successful event for Delaney! The Fiesta Bowl should be a shoot out today w/ Luck showing off his stuff . I'm jealous.

By way of email introduction, attached is Dave Wilson's contact info. Confirming our call, Dave and I will call you Wed around 12:30p EDT from my office to further discuss the potential acquisition of Carolina Custom Converting (CCC). In the meantime, if you have any specific info you'd like Dave to prepare in advance, please feel free to send us a list. Otherwise, I've explained to Dave to be prepared to give general info. Here's a few things to consider. .

1 LLC consisting of Dave Wilson (sales & purchasing) and John Gandis (operations) each w/ 45% share, Andrea Comeau-Shirley (CFO) with 10% share. Dave wishes to stay on, others will be moving on.

2. John Gandis would like to sell the building and hopes to get what he paid ($175-200k). Site is located on several acres and consists of 2 bldgs of approx 17k SF and 10k SF.

3. Web site has some info: http://www.ccc-films.com/

4. Gandis & Comeau-Shirley recently offered a low ball offer to buy-out Dave's share at a price/terms the "Buyer" would also be williing to accept in reverse role.

5. In the event of an acquisition, only Dave would remain and the other Seller's move-on. Gandis has a separate business in the film industry that supposedly is in a different market and therefore not a conflict

Talk to you tomorrow...

Steve Norvell

Fresh Water Systems, Inc

Greenville, SC 29615

Office: 864-284-1805

Fax 864-284-1819

Web: www.freshwatersystems.com

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Version: 2012.0 1901 / Virus Database. 2109/4718 - Release Date 01/02/12

From: Dave Wilson <davewilsonsr@charter.net>
Sent: Thursday, January 05, 2012 1:54 PM
To: 'Anthony Baumann'; 'Steve Norvell'
Cc: 'Julie Wilson'
Subject: RE: Carolina Custom Converting
Attachments: CCC overview.docx; CCC sales by customer 2010 2011.xlsx

HI Guys,

Thanks again for your time yesterday. Please see attached customer list for 2010 and 2011 with a breakdown of slitting customers vs distribution customers. Also included is an overview of our company, the products we sell and the markets we sell into. I hope this will give you a realistic view of our company, the opportunities we have available, and the potential for improvement. I will send a separate email today with some financial information including past P&L's, current balance sheet and a summary of what John and Andrea have verbally given as a buyout number. Please feel free to call me or email me with any questions.

Regards,

Dave

From: Anthony Baumann [mailto:abaumnn@gmail.com]
Sent: Monday, January 02, 2012 2:03 PM
To: Steve Norvell
Cc: Dave Wilson
Subject: Re: Carolina Custom Converting

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I look forward to the call on Wednesday

Anthony

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Talk to you tomorrow...

Steve Norvell

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Web: www.freshwatersystems.com

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Checked by AVG - www.avg.com
Version. 2012.0 1901 / Virus Database: 2109/4718 - Release Date 01/02/12

Hi Anthony and Steve,

Thanks again for your time yesterday. I thought it would be helpful and save time if I gave you an overview of our business, the markets we're in and kind of a SWOT analysis. (strengths, weaknesses, opportunities, threats)

I'll start broad and get narrower as I go along. For the sake of time, I may jump around a bit as thoughts come to mind.

US Film Market and history:

Although plastics have been around since the 1800's, it was not until the 1950's that commercially usable films were made from extruded resins. The single largest market for films is flexible packaging. Over the years, metal cans, boxes and wax paper have been replaced with plastic films or laminations of films, foils, and papers.
The US flexible packaging market is roughly $15 billion and is predicted to grow at 4% through 2015. The primary films used in flexible packaging are polyethylene, polypropylene, polyester and nylon. Theses films are typically printed and laminated into some combination (1 to 4 ply) of film, foil or paper.

By volume, polyethylene (PE) is the largest film used in packaging followed by polypropylene (BOPP), then Polyester (PET) followed by Nylon. PE films are typically not sold by distributors. There are many PE film manufacturers in the US and larger packaging converters often produce their own PE film. A new PE film line is $4 million compared to a cost of $30 million for a BOPP, PET or Nylon line. There are 5 producers of PET film in the US and 5 to 6 producers of BOPP. All four of these films are produced globally in Europe, Asia, the middle east and South America.

Other markets for plastic film have emerged over the years include but are not limited to:
Flat panel LED and LCD screens
Solar panels
Fiberglass panel construction
Labels
Tapes
Solar window films
Roofing Shingles
Flexible Duct
Book Jackets
Folding Carton windows
Industrial facings for insulation
Motor insulation
Wire and cable insulation

Carolina Custom Converting is a small, slitter distributor of plastic films. The majority of our sales come from buying and reselling films, often slitting the films prior to the sale to ensure the correct width and length is shipped against a customer purchase order. We also offer contract slitting services to film producers or customers who have a source of film but need it converted to a usable width or length. We have 13 slitting machines in Anderson ranging in width from 20" to 95". We can slit most films down to 1" wide, some films to .375" wide with a maximum slit or rewind width of 95". The maximum roll diameter we can convert is 40".

90% of our sales to date have been PET film. In 2010 we started toll slitting BOPP film for a US BOPP producer and converted roughly 1,500,000 pounds of film for them in 2011 with sales of $217,000 for this service.. Sales in 2010 were right at $7,000,000 with a customer base of roughly 65 companies. Sales in 2011 were just over $5,000,000 with a customer base of roughly 110 companies.

2010 was an unusual year for the following reasons. PET supply worldwide was tight and selling prices doubled in a 6 month period. We were fortunate to have some strong supply relationships that enabled us to have PET supply when some of our competitors did not. For this reason, we picked up several new accounts simply because we had product. As film supply loosened in 2011, most of the customers who had bought opportunistically from us in 2010, went back to their previous suppliers. The 2010 supply shortage and opportunistic selling resulted in an increase in our sales volume as well as an increase in our material margins. The net effect was $1,200,000 in net income.

In 2011, as PET supply loosened, selling prices dropped quickly and we found ourselves like many of our competitors sitting on inventory at higher prices and our film costs trailing the decline in selling prices. The decline in PET prices continued through 2011 and have somewhat stabilized at the start of 2012. We expect an increase in gross margins as well as sales volume for 2012. Raw material margins went from 64% in 2010 to 34% in 2011. We anticipate raw material margins to be 47% in 2012.
In my 20 years in the film business, I have seen three markets like the PET market we saw in 2010. Each time there was a global tightening of film supply; prices rose quickly, tapered off and started to decline within several months as supply loosened. Each cycle was no more than 18 months in duration. These cycles were spaced roughly 7 to 8 years apart. While PET pricing is driven more by global capacity than resin costs, BOPP, Nylon and PE film prices are more volatile and change with the ups and downs of resin costs. Typically, prices for these films change by 3% to 8% and we don't see the huge price swings like we sometimes see in PET film prices. We expect PET prices to stabilize this year and remain stable for several years. There is new PET film capacity planned for 2012 and 2013 both in the US and abroad.

Our customers can be broken out by the following:

1. Converters who take our film and process it further i.e. printing and laminating to produce a finished structure that is then sold to an end user who packages their goods. Also box

converters who apply our film to a cardboard box as a window and then sell the boxes to companies who package their goods in boxes.

2. Companies who can use a non-printed, non-laminated film for packaging their goods i.e. bakery companies.
3. Companies who use our film to make a finished product such as flexible duct work for HVAC or an insulation facing that is applied to insulation sold into the construction market. Also companies who take our product and produce book jackets for library supply houses.
4. Companies who take our product and apply coatings or adhesives for non-packaging applications such as labels, tapes or solar panels.

Our companies range in size from the mom and pop bakery company to large converters or manufacturers such as 3M and Avery Dennison.

Our customers can be broken down further into companies we must slit for or companies we can distribute to. Companies who use small quantities or narrow widths prefer to buy from slitter distributors because their volume do not justify importing full containers or they need quick turnaround not available from US producers. Film producers are usually limited in how narrow they can slit their films. Typically film producers do not offer widths below 20" so this creates a market for slitter distributors like us who can slit below 20". Some companies who have volumes that justify full containers simply do not want to deal with the logistics and challenges of working with an offshore producer. These companies then turn to brokers or distributors in the US who can import containers to their door and offer them payment terms. We have many customers who could be either a slitting customer or a distribution customer. If we have the correct size and thickness on the floor, we can just relabel the film from our supplier and resell it to our customers. If our customer needs a width we do not have on the floor, then we must slit our stock down to meet their requested width or length.

Customers (see attachment)

Vendors:

We have both domestic and offshore suppliers. Most of our suppliers are film producers but we also buy from US companies who buy and sell film on the secondary or surplus market. There are companies in the US who distribute films but have no converting operations. When we can't find the right film from one of the film producers; we look to other distributors who have the right product at the time we need it. We have open terms with all of our domestic suppliers and open terms with most of our offshore suppliers. A few of our offshore suppliers require cash in advance or letters of credit.

Competitors:

We have plenty of competition in our business. There are 5 to 10 companies who slit and distribute films like we do. Most of these companies are larger than we are with sales ranging from $20 million to $200 million. Each of these companies has differing slitting capabilities and market concentration. There is product and market overlap within these companies but no two companies sell into the same markets with the same product range. Most of our competitors participate in the packaging market

because this market is the largest single market for films globally and in the US. In the other markets we sell into, we may have 3 to 4 competitors in each market.

We also compete with brokers who simply bring containers of film in from offshore producers and drop ship to the converter or end user. We also compete with film producers at larger accounts who buy 500,000 lbs or more annually. We typically try to steer clear of larger customers who are already buying from our suppliers.

SWOT Analysis:

Company strengths:

Our strengths include short lead times; narrow precision slitting, and competitive pricing. Because of our capacity, we typically can turn an order faster than our competition. We don't always get a premium for this, but it does enable us to secure orders with customers who need something quickly. For small orders 500 to 2000 lbs, we can typically turn the order in less than 1 week. For orders ranging from 2000 to 10000 lbs, we can typically turn the order within 2 weeks. Our ability to offer competitive pricing is a result of our industry and where to find films at competitive prices. Last year, we sold a fair amount of film to some competitors who were having difficulty sourcing film. We made the decision to sell them because the market overlap with the competitors was small and we did were not jeopardizing existing business by selling them. This was a reflection of our ability to source films better than our competition. Most of this business disappeared when film supply loosened and our competitors were able to source films again from their previous suppliers. Because of my 20 years' experience in the film industry, we are able to recommend and source products for customers who are trying to design a packaging structure but may not know the best films to use in the structure. They rely on our expertise to design an appropriate film structure to meet their customers packaging needs.

Weaknesses:

There are several reasons why we lose an order or opportunity. Typically, we lose an order because one of our competitors has the exact width or product on the floor for immediate shipment. Since most of our competitors have been in business longer than us and have greater resources, they can stock more items and widths for immediate shipment. We may have the right product on the floor but not the right width. If we have to slit which takes time and our competition can ship immediately from stock, they usually get the order. We don't typically lose an order over price. We have never been capitalized at a level that enables us to hold more than 30 days of inventory. We may have plenty of film on the floor but not necessarily at the widths our customers need. Some of our customers use the same width month in and month out. This is easy for us to plan for and stock. Other customers use a wide range of widths and may not know from week to week which widths they need. For us to stock a wide range of widths, we would need higher inventory levels and therefore more operating capital. The benefit of higher inventory is less converting. If we could fill more orders by simply distributing rolls from our inventory, our need for slitting is reduced.

We have also lost some sizable customers in the past due to avoidable quality issues. I can think of two large customers we lost simply because we either wound film the wrong direction, or we mislabeled the rolls (treated side in when the rolls were actually treated side out). Although I know what procedures we need to have in place and adhere to, I simply don't have the time or the ability to make that happen. John runs the operations and it is his responsibility to make sure we are putting out a quality product. With a change in management, I will be able to give good input into how the plant should run, but someone will need to be in the plant each day making sure the systems and procedures are followed.

I also believe we are inefficient. There is a lot of room for improvement in the efficiency of the operations. Since I have worked in 4 separate film converting operations, I know what we should be able to produce with the staff and capacity in place. Rather than giving our operators target throughput or timing, we simply put the job out on the floor and let the operators run at whatever throughput they want to achieve. We should be able to produce more product than we do with the staff and capacity in place.

Culture and moral of employees. We have not created a culture within the company that encourages our employees to take ownership of their work. John micromanages everyone which causes frustration and reduces the incentive to perform. In addition, simple things like cleanliness and organization have been neglected. If we allow operators to just pile rolls in a corner, we are sending the message that the product has little value to us. Why would the operators take pride in the finished product if we are sending a message that our product has little value and we don't care what happens to it once it leaves the machine?

Limits on time. Since I am driving sales, managing the purchasing function and new business development, my time is fragmented and I am not near as efficient as I could be. Bill Shaw helps out with the purchasing function and his skills are growing, I still have to be involved in purchasing which takes time away from sales. We need to address the purchasing / material planning function. Bill may be able to fill this role but his time is split between customer service and purchasing / planning. If he takes on a greater role in purchasing, we may need to bring in a customer service coordinator. In my opinion, it will be cheaper and easier to find and train a customer service person, than to find and train a purchasing manager. When we had 30 customers and $3,000,000 in sales, I could effectively do both sales and purchasing. Now that we have 100 customers, new products and $5,000,000 plus in sales, I have lost effectiveness.

While this list of weaknesses is long, each of these is correctable and I view them as opportunities for growth and improvement. If we're properly funded and properly staffed, we can continue to grow sales and profits.

Opportunities:

The opportunities are vast. We are a small player in a huge market. In addition to a broad customer base, we have a list of prospect accounts we with which we are qualifying our products. Our top 5 prospects for 2012 equate to potential sales of $5,000,000 with a raw material contribution of $1,300,000. Four of these 5 prospects are distribution customers, one is a slitting customers. We are in

the process of qualifying our film with each of these and the feedback has been very positive. One account in particular has told us that we can get 100% of their business this year if the next qualification is successful. Total prospects identified as potential sales in 2012 include 32 accounts with potential sales of over $10 million dollars. In addition to these 32 identified prospects, we have another 40 or 50 accounts that we have identified as companies using the products we supply or can supply. Our budgeted sales to existing customers does not account for all of the business available with these customers. In some cases, we have budgeted sales of $100,000 with accounts who use $500,000 to $1,000,000 in film annually. We have room to grow sales with our existing customer base.

Another large opportunity for growth is in the BOPP film markets. Less than 5% of our sales are in BOPP even though the BOPP market is much larger than the PET market. A good question to ask is why we have not captured more sales in the BOPP market in 4 years. The simple answer is time. With my time split between sales and purchasing, I have not been free to develop business in the BOPP market. Although we have customers who use BOPP and plenty of prospects identified as BOPP users, someone has to develop the supply chain for these films. Without a good vendor base, it is hard to compete with other distributors who have been selling BOPP for years. We know where to get the BOPP films, but most of our competitors distribute BOPP from offshore and developing offshore supply is time consuming. If I can get some of my time freed up to develop the BOPP business, we could recognize real growth in this market.

Other films and markets for future growth include heat shrinkable films for bottle labels or security closures, thermoformable films for trays and rigid plastic boxes and aluminum foils for our flexible packaging converters.

Threats:

The biggest threat to our business is internal. Without a proper management structure that enables each of us to utilize our abilities to the fullest, we will stagnate. Without proper capitalization, we will not be able to grow and capitalize on opportunities that require higher levels of inventory or imports for distribution business. Without a culture of quality and timeliness, we will continue to lose customers by making avoidable mistakes.

The biggest outside threat we face is our competition that have greater resources and good quality products and service. We'll always have competition. We sell commodity films that offer no benefit over our competitor's products. We must improve our operation so we can offer greater service and capitalize on the opportunities we have in front of us to grow sales and the bottom line.

Staffing:

John – President
Dave – VP Sales, Purchasing
Andrea – CFO from afar
Bill Shaw – customer service, purchasing
John Higgins – production scheduling
Jerry Blaney – manufacturing mgr

Joy and Kimberly – accounting
Jeff Bolt – packing, shipping, receiving mgr

Roughly 15 hourly employees running machines and doing warehouse functions.

	A	B	C	D	E
1		Customers	Jan - Dec 11	Slit vs Distribute	
2		3M Inc.	500.00		
3		Abet Packaging Industries	52,293 80	distribute	
4		Accord Carton	0 00	slit	
5		ADLAM FILMS LLC	171,851 51	slit or distribute	
6		American Color Graphics LLC	68,948 35	distribute	
7		Americraft Carton, Inc	74,898 08	slit	
8		Aolus Manufacturing	5,263 29	slit	
9		Arkay Packaging Corporation	9,995 59	slit	
10		ASG, Inc	75,431 90	slit	
11		Augusta Fiberglass Coatings, Inc	12,872 00	slit	
12		Avery Dennison	0 00	slit	
13		Baker & Taylor	18,144 00	slit	
14		Bayshore Films LLC	-502 38	gone	
15		Beilen Container	41,911 00	slit or distribute	
16		Bema Inc	23,512 80	slit or distribute	
17		Bert-Co	77 00	slit	
18		BPR Plastics	27,845 89	distribute	
19		Brandmark Inc	611 00	slit	
20		Brodart Company	196,211 21	slit	
21		Cadillac Products Packaging Company	-13,735 04	gone	
22		Cameron Group	0 00	distribute	
23		Carded Graphics LLC	897 95	slit	
24		Castle Pierce	0 00	slit or distribute	
25		Central Container Corp	0 00	slit	
26		Chase Corporation	34,143 30	slit or distribute	
27		Classic Packaging Company	334,956 46	slit or distribute	
28		Cody Company Inc	0 00	slit	
29		Composites USA	0 00	slit	
30		Custom Laminating Corporation	182,200 40	slit or distribute	
31		Deflecto Corp.	0 00	slit or distribute	
32		Delta Circle Industries	345 10	slit	
33		DEMCO	343,488 56	slit	
34		Dikeman Laminating Corp	4,765 80	slit	
35		DSI Underground Systems Inc	8,388 16	slit	
36		Dundas Jafine Inc	40,521 00	slit	
37		Dunmore Corporation	8,612 85	slit or distribute	
38		Dunstone Company Inc	606 10	slit	
39		E Sider Company	25,479 55	slit or distribute	
40		Eagle Flexible Packaging	0 00	slit or distribute	
41		Elliott Schultz & Associates, Inc	31,063 09	slit or distribute	
42		Film Resources LLC	47,971 79	slit or distribute	
43		Filtros y Mallas Industriales SA de CV	14,642.63	slit	
44		Fisher Container	16,272 20	slit or distribute	
45		Flagship Converters	154,287 81	slit or distribute	

	F	G
1		Jan - Dec 10
2	3C Packaging	2 113 65
3	3M Inc.	529 15
4	Acucote, Inc	0 00
5	ADLAM FILMS LLC	251,686 91
6	Ahlstrom West Carrollton LLC	-8,294 40
7	Americraft Carton, Inc	45 940 53
8	ANCO Products Inc	28,865 70
9	ASG, Inc	79,518 60
10	Augusta Fiberglass Coatings, Inc	14,284 58
11	Bayshore Films LLC	96,188 90
12	Brodart Company	5,767.53
13	Builder's Best Inc	3,283 35
14	C A. Schroeder Inc	84,773 67
15	Cadillac Products Packaging Company	195,928 90
16	Cantech	84,808 70
17	Chase Corporation	227,918 58
18	Classic Packaging Company	98,836 77
19	Cody Company Inc	129,032 74
20	DEMCO	48,016 87
21	Dundas Jafine Inc	44 133 84
22	Dunmore Corporation	2,121 99
23	E Sider Company	21,240 60
24	Elliott Schultz & Associates, Inc	15,701 04
25	Excelsior Packaging Group	24,285 02
26	Flexseaze Inc	115,233 88
27	FoilTek Inc	218,779 11
28	Gibraltar Packaging Inc	2,204 72
29	Glassfiber del Norte	114,469 97
30	Grayflex Systems	863,581 35
31	Hart & Cooley (C)	91,998 55
32	Horizon Converting LLC	7,283 91
33	Horizon Energy Systems Inc	9,645 80
34	Imperial Manufacturing Group	337,240 46
35	InterFlex Group (NC) - North America	183,002 33
36	InterFlex Group (WI) - North America	284,658.85
37	Interstate Packaging	3,692 77
38	Intertape Polymer Group	15,587 11
39	ITW Graphics	11,831 51
40	ITW Trimark	2,768 60
41	J P Lamborn Co	68,458 38
42	JDC Coatings Inc	30,386 95
43	KAPCO	107,586 69
44	L L Building Products	0 00
45	Lambro Industries, Inc	110,934 24

	A	B	C	D	E
46		Flexeaze Inc	26,853 00	slit	
47		Foil Laminating Inc	703 50	slit or distribute	
48		FoilTek Inc	-72,681 64	gone	
49		Gibraltar Packaging Inc	74,771 15	slit or distribute	
50		Glassfiber del Norte	134,219 80	slit	
51		Global Packaging Solutions (C)	0 00	slit or distribute	
52		Graphic Arts Systems Inc	8,441.65	slit or distribute	
53		Grayflex Systems	249,153 16	slit	
54		Griff and Associates LLP	8,512.00	slit or distribute	
55		Hart & Cooley (C)	47,186 82	slit	
56		Horizon Converting LLC	75,326 56	slit or distribute	
57		Horizon Energy Systems Inc	9,042.30	slit	
58		Husky Plastics Inc	84,977 50	distribute	
59		Imperial Manufacturing Group	739,535 22	slit or distribute	
60		InterFlex Group (NC) - North America	73,163 42	slit or distribute	
61					
62		International Packaging Films Inc	350 00	slit	
63		Interstate Packaging	38,356 70	slit or distribute	
64		Intertape Polymer Group	33,684 08	slit	
65		ITW Graphics	7,128 00	slit	
66		ITW Trimark	2,235 20	slit	
67		J E Herndon Company	55,511 08	distribute	
68		JDC Coatings Inc	7,236 00	slit or distribute	
69		Jennmar USA	142 81	slit	
70		KAPCO	87,031 10	slit or distribute	
71		Kempol Corp	198,073 22	distribute	
72		L.L. Building Products	0 00	slit	
73		Label Technologies Inc	57,389 71	slit	
74		Lamart Corporation	368 90	slit	
75		Lambro Industries, Inc.	35,290 03	slit	
76		Metro Metals Corp	486 20	distribute	
77		MFM Building Products Corp	3,831 30	slit	
78		Midwest Laminating & Coatings Inc	0 00	slit	
79		Mimir Flexo Printing	0 00	slit or distribute	
80		Minova, USA	86,505 60	slit	
81		Multi-Plastics Inc	291,056 42	slit or distribute	
82		Pacific Hi-Tech Systems	79,063 97	distribute	
83		Packaging Concepts Inc	31,079 89	slit or distribute	
84		Palmetto Imaging Technology LLC	47,198 28	slit	
85		Patrick Industries, Inc.	38,559 25	slit	
86		PeppertreeAir	5,133 20	slit	
87		Phoenix Films Inc	9,185 38	slit or distribute	
88		Piedmont Laminating & Coating Inc	1,219 65	slit	
89		Plastic Packaging Technologies LLC	28,125 74	slit or distribute	
90		Plastomer Corporation	5,729 30	slit	

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	F	G
46	Lambro Venting Products, Inc.	69,070 88
47	Metro Metals Corp	109,733 12
48	MFM Building Products Corp	7,344 64
49	Minova, USA	1 243,871 47
50	Multi-Plastics Inc	531,417 28
51	Palmetto Imaging Technology LLC	30,027 53
52	Patrick Industries, Inc	27,197 92
53	Phoenix Films Inc	0 00
54	Plastomer Corporation	19,747 77
55	Polymer Marketing Inc	3,160 95
56	Prime Label & Packaging LLC	86,009 11
57	PSC Office Products	2,850 12
58	Santrade Plastics Group Inc	143,232 44
59	SleeveCo, Inc	89 82
60	Soliant LLC (C)	953 36
61	Spartech Corporation	3 013 95
62	Specialty Packaging	29,725 20
63	Star Packaging Corp	83,343 35
64	Sworn Plastics, LLC	241 781 29
65	Techniflex Enterprises Inc	40,923 18
66	Valencia Specialty Films	152,052 57
67	Vermont Industrias, S A DE C V	95,790 04
68	Vifan USA Inc	79,889 23
69		7,051,169 20
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	A	B	C	D	E
91		Poly Print Inc	9,524 50	slit or distribute	
92		Polymer Marketing Inc	3,894 80	slit	
93		Prairie State Impressions	2,980 85	slit or distribute	
94		Prime Label & Packaging LLC	127,107 63	slit	
95		Prysmian Power Cables and Systems USA LL	1,520 98	slit	
96		Sancap Liner Technology Inc	10,780 00	slit or distribute	
97		Santrade Plastics Group Inc	79,173 66	distribute	
98		Shep Company LLC	15,652 92	slit	
99		SleeveCo, Inc	75,188 30	slit	
100		SPAWAR System Center - San Diego	3,409 30	slit	
101		Specialty Coating & Laminating LLC	3,277 07	slit or distribute	
102		Specialty Packaging	4,641 20	slit or distribute	
103		Specialty Tapes Manufacturing	7,258 71	slit or distribute	
104		Star Packaging Corp	68,765 81	slit or distribute	
105		StrataGraph LLC / dba Great Northern Corp	763 25	slit	
106		Sun Process Converting Inc	20,307 70	slit or distribute	
107		Supply One Rockwell Inc	39,200 00	slit	
108		Sworn Plastics, LLC	9,766 00	distribute	
109		Syntac Coated Products LLC	21,239 10	slit or distribute	
110		TaraTape	1,837 50	slit	
111		Techniflex Enterprises Inc	59,808 23	slit	
112		ThermoFlo Technologies Ltd	7,094 00	slit	
113		Valencia Specialty Films	225,020 89	slit or distribute	
114		Vermont Industries, S.A. DE C.V.	70,260 65	slit	
115		Vifan USA Inc	217,785 29	slit	
116	TOTAL		5,596,866 96		
117					
118					
119	Roughly $1,000,000 in business with new customers in 2011				

From: Namaste Consulting
To: "John Gandis"
Subject: RE Dave Offer Expires ? Patience, grasshopper, patience... .
Date: Thursday, January 05, 2012 11 24 43 AM

NO YOU DON'T NEED TO BE THE ONE THAT REMINDS HIM OF ANYTHING. His lawyer is all over this. I know you want this done .. but ... it is like a cake in the oven .. you just have to wait until the buzzer goes off.

Once Friday comes and goes .. we are better off than we are today. He can still bring forth an offer from his group and we can still sell out at the price we discussed with him. BUT ..our fixed fee offer will have expired and that means we are free to offer him less as long as there is a good basis for the offer - which the physical inventory will provide to us.

ALSO _ it won't be until next week that our SC attorney returns and we get our answer to our disassociation question. So we don't really want to stir up anything until we finish getting our legal advice.

PLEASE JUST LET THIS SLEEPING DOG LIE.

You teach a child lessons by making them suffer the consequences of their actions/inactions Dave apparently missed this lesson in his youth and thinks he can try to guilt you into doing what is good for him (at your own expense). He already missed the deadline for the option of getting a revision to the LLC agreement to reduce his capital loss – even with a 9 day extension. He had weeks to evaluate that – and just chose to let it go. If he waits beyond Friday to talk to us about buyout – then all he is really saying to us is that he thinks he should get more money. BUT .. he now has to prove to us the higher value and he has to work against the year end financials to get there.

We need to remember that we don't care if he is a partner or not ... only he cares, and even then , he really only cares about getting his cash in front of vendors and employees – and we have told him "NO MORE! Never again. We are going to get even with you from a distribution perspective and then we are going to stay even with you on a going forward basis. We all have to find outside financing when money is tight and we all will get distributions when money is not."

ALSO – as we continue these discussions, we need to move forward in a manner that does not jeopardize the viability of this company. We have a business to run and this company has cash needs as well as a financing issue. With this recent buying spree on film, we need to restructure to bring in additional operation funds to finance the international film that is due by MONTH's END. Depending on how long it is before this film is sold - there is good possibility that Dave won't see a check until April or so ...

Even if he does sign something on Friday – we still have to negotiate an employment arrangement with him and he is probably going to try to sweeten the offer we made to him .. because that is just the way that Dave is. He doesn't understand that our company lost money last year . . He doesn't understand that our company is without a line of credit and has been buying international film – where our cash outflow pre-dates our collection of the AR by 3-4 months. This company has to

finance that operation and we cannot finance that AND his buyout at the same time. We also cannot afford to pay Dave without linking his compensation to gross margins or he will go out there and undercut the entire market just to earn his commission.

If we end up buying out Dave – we need to stay rigid on the payment time line. Our offer has a built-in acceleration mechanism. In essense we said to him – we need time to come up with cash to buy you out (we shortened the period from many years to two years) AND we said, if this company operates better than is budgeted, we agree to use some of that money to reduce your note (accelerate your collection of the cash).

I will be willing to give him a higher percentage of the additional gross profit as part of the deal (25% of the offer was the original strike price – but I suspect we could end up closer to 45% - which was his old share of the company). BUT WE CANNOT CREATE A DEBT OBLIGATION TO DAVE THAT WE BELIEVE OUR COMPANY COULD DEFAULT ON. Even banks make certain that they have balloons in their commercial debt ... with clauses that say "if you exceed these measurements, then the excess cash comes to us ... but otherwise there is a giant balloon way out there – because we don't want you going into default."

We don't want to be looking at a forced liquidation in the fall because Dave insists upon a pay-out schedule we cannot meet. I know we cannot afford to pay Dave any sooner than my offer outlined. It is part of the reason that I insist that Dave give us the cash at closing – because if he thinks the business will be the source of our buy-out funds, then we will be waiting until 2013 and 2014 – if we are even that lucky. They just need to go to a bank .. and they will discover that the bank will give them the money .. but likely structure a deal for them to be repaid very similar to the timing we offered to Dave in our note.

My first preference is he buys us out at the price we offered him – there is no deadline on that ability. He can make that offer anytime over the next month or so.

My second preference is that we keep him as a partner – but we have to recapitalized and reorganize the company to continue. I hope he stays as a partner ... Then we need to increase my equity for my additional participation and then we will increase your equity for the funding you are providing to the company ... and I can see us ending up in a structure where you are 50% - Dave is 25% and I am 25% . Your new LLC shares have super-voting rights have a PRIORITY at liquidation. My new shares will also have a priority (the 15% portion). Our old shares will be the common shares and last in the queue. Dave will only own old shares right beside you and me on our old shares. As soon as Friday comes and goes – I say we start Zamer drafting the new LLC agreement. We get the additional money from you we need to buy this film – we give you the new super-voting shares and we get on with getting on!

The last thing I want is Dave as an employee. First he will never agree to an all commission deal that is right for our company. He will want a base that is so SAFE he knows he can earn in his sleep; I worry that we will never get a contract with him that is good for us! AND I worry about how to finance his salary at the sales levels he is talking about.

Once we restructure our partnership – then if Dave wants to make a million bucks – then he is going to have to make you 2 million bucks (as you will own twice the equity that he owns. ALSO – if he is going make me a million - then I will as well. From my perspective – at least as I am working hard to make our company money and to get positioned for growth – I won't be in the position of making Dave rich while I just barely earn my hourly rate for services!

He has already gone 5 days longer than normal without asking for a check! Let's just keep on focus for our operating plan for 2012 and try not to let him be the giant distraction that he was in 2011.

Andrea

From: John Gandis [mailto:john@ccc-films.com]
Sent: Thursday, January 05, 2012 9:06 AM
To: 'Namaste Consulting'
Subject: Dave Offer Expires ?

I can't remember the date that we told him that the offer expires... was it the Monday the 9th ?

If so – I need to say something to him again... later today or tomorrow to remind him.

- JG

From: Namaste Consulting <namasteconsult@bellsouth.net>
Sent: Monday, January 09, 2012 11:38 AM
To: Dave Wilson
Cc: John Gandis; John Zamer
Subject: FW: Offer to Buy
Attachments: image001.jpg

Dave – please send to us (particularly John Zamer) the names of the companies that you have already had conversations with, including the name and title of the specific person at each company. Also send to us a copy of anything that you have given to these companies as part of this dialogue. This might include forwarding emails if you have information in the email so we could review the terms that you have already proposed to each party as well.

Thanks,

Andrea

From: Namaste Consulting [mailto:namasteconsult@bellsouth.net]
Sent: Friday, January 06, 2012 4:40 PM
To: 'Dave Wilson'
Cc: 'John Gandis'; 'John Zamer'; 'Clayton L. Jennings'; 'Ray Harrison'
Subject: RE: Offer to Buy

Dave, thanks for your response. We have not reviewed it in detail, but will do so.

But before we go much further, your answer on sharing Company information with any third parties was not in line with our thinking. To be more specific, information about the Company is an asset of the Company , not any of its equity holders, and you will need the express permission of the Company to provide any Company information to any third party - - whether a competitor or not. As a legal matter, that consent can only effectively given by John, and only after he is provided the name of a proposed recipient of the Company information, as well as a complete description of what information is proposed to be provided. Should John approve the disclosure, before it is effected, we would also need a non-disclosure agreement signed with the recipient, and that agreement would need to be of a form approved by Company counsel.

If any material information has been given to third parties, we should go back and obtain a non-disclosure agreement from those parties, and you should inform us of the names of those parties, and the scope of the information provided, and we can provide a form of non-disclosure agreement to accomplish this.

I have previewed this response with John and he has approved it

So, please proceed in this regard only consistent with the foregoing.

- Andrea

From: Dave Wilson [mailto:dave@ccc-films.com]
Sent: Friday, January 06, 2012 1:43 PM
To: 'Namaste Consulting'
Cc: 'John Gandis'; 'John Zamer'; Clayton L. Jennings; Ray Harrison
Subject: RE: Offer to Buy

Hi Andrea,

Very good points. I am talking with several potential buyers, none of which are really competitors. If I was speaking with a competitor about the business, I certainly would not divulge information that could be potentially harmful to the company in the hands of a competitor. That really should not be a concern of yours since I have a vested interest in protecting the company I own 45% of, and if I was to leave, I am under no legal obligation to keep the information confidential. While I am extending a counter proposal below for the company to buy me out and offer employment, my desire is to continue discussions with the interested parties about buying out the company as a whole. I have been very clear with all parties that both you and John require cash at closing (no escrows) and that John requires the building to be sold in the transaction. All parties understand that the potential transaction would need to happen quickly without months of due diligence. I hope to have some indication of intent from one or more parties next week.

Since John and I began discussions regarding CCC buying me out and extending an employment agreement, John has insisted that the goal was not to force me out of the company but to give me some security and incentive to help grow the business. He said he wanted to make a fair buyout offer and a fair, attractive employment offer. Your recent offers for buyout and employment do not accomplish this. I don't view the buyout offer as fair since it is based solely on my capital account which you have recently devalued with $300,000 of bonus depreciation and a non-binding, non-legal "preference to minority" of $100K. While I agree that the bonus depreciation benefits me to the tune of maybe $30000 to $45000 in tax relief, the net result is a devaluation of my capital account at $135000. The "preference to minority" liability reduces my capital account by $45000 and even if this was legal, it should not be used to determine the value of my interest when the preference would most likely not be paid if I was bought out and you stayed on as a member. Businesses do not typically sell for the value of the total equity unless they are in great distress. Neither do businesses sell for tax value when there is going concern and a history of decent earnings. Because of this, I feel you have incorrectly valued my capital account (even if that were a fair measurement of my interest). I don't see how any reasonable person would believe that your valuation is unbiased since you stand to benefit from the low value you have placed on my interest. Without spending time and money on a proper valuation, there should be some consensus and give and take on how my interest is valued.

Please review the following counter proposal which I feel addresses my desires and meets the stated goals John has offered verbally. This offer is largely performance based, limits the risk to the company in the event we don't perform or shut down, and gives me ample incentive to grow the business and bottom line. I share some risk with compensation in that I have no control over the bottom line once I become an employee. If John wants to have final say on selling pricing and film cost, and he is responsible for operating costs, I could perform well and the company still not be very profitable due to management decisions out of my control (i.e. poor decisions on capital expansion, staffing levels, financing the company, etc) Without spending time and money on a proper valuation, there should be some consensus and give and take on how my interest is valued.

1. Buyout price - $250,000
2. $50000 paid at closing
3. Balance paid out over 2 years as follows with interest at 6%.
    a. $50000 paid on September 1, 2012
    b. $40000 paid on Dec 31, 2012
    c. $30000 paid on Mar 31, 2013
    d. $30000 paid on June 31, 2013
    e. $30,000 paid on Sept 31, 2013
    f. $20000 paid on Dec 31, 2013
4. Existing loan is forgiven or absorbed by the company.
5. Dave is allocated $325,000 of ordinary operating loss from 2011 on his K-1
6. If the allocation of loss is not extended, the buyout price is $300,000 under a new 30 month schedule similar to the schedule for the 2 year buyout.
7. Employment agreement given to Dave for a period of 3 years.
8. Non-compete given to company for a period of 4 years starting at the time of closing.
9. Salary of $12000 monthly guaranteed for year one.

10. Salary of not less than $10000 monthly guaranteed for years 2 and 3
11. Dave keeps the Lexus with the company making payments until the car is paid off.
12. Bonus package based on sales with Dave to receive 1.5% of gross sales quarterly provided gross sales equal or exceed $1,200,000 for the quarter and the company has positive net income before salaries or compensation to owners of at least $75,000. Net income and sales may be verified by Dave with full disclosure from the company of all P&L and Balance sheet transactions. If quarterly sales are not achieved but sales in subsequent quarters equal or exceed an average of $1,200,000 and net income is achieved then Dave is still paid his bonus. Full set of detailed financials provided quarterly to Dave Wilson. If quarterly sales are achieved but net income is not achieved, then Dave is paid .75% of gross sales in bonuses.
13. Personal guarantee from John and Andrea on buyout. If the company is sold or shut down before the end of the buyout, the balance of the buyout is due within 90 days.
14. If the company is sold before the end of the employment agreement, Dave's employment agreement must be intact under the new ownership. If the company is shut down before the end of the employment agreement, the company is free of its obligation to Dave with the exception that Dave is paid for 2 months after the business closes.

I look forward to your reply.

Sincerely,

Dave

From: Namaste Consulting [mailto:namasteconsult@bellsouth.net]
Sent: Friday, January 06, 2012 9:21 AM
To: Dave Wilson
Cc: John Gandis; John Zamer
Subject: Offer to Buy

Dave – I wanted to take a moment and follow-up with you on your proposal to buy-out our interests as we have not seen a letter of intent nor received a confirmation from you about their ability to fully fund at closing. We are not rushing the process, but we want to clarify an important point that should have been explicit in our initial response to your inquiry. Our willingness to consider an offer to sell our shares was NOT a blanket authorization for you to shop our company around. Rather, you had already indicated to John that your family might be willing to step up; specifically John understood that you were talking to your brother-in-law and other family members about putting together the financing.

We are not comfortable with the idea of you shopping the company to competitors as those companies would likely say "yes, we are interested in seeing what you are about" – but are highly unlikely buyers of the real estate that MUST be included in our offer to sell. Additionally – we provided to you a list of general terms that we expected to see in ANY offer that was proposed and we have not heard from you that your group will be willing to move forward under those terms (especially regarding the escrows). Without giving us that assurance, you should not proceed to discuss the offer with anyone – including your brother-in-law.

I hope that you are working with your attorney to ensure that the confidential nature of our information is protected AND that you first qualify a potential prospect before you share any information. You probably are being careful ... but we didn't want any confusion over the level of authority extended in our initial reply.

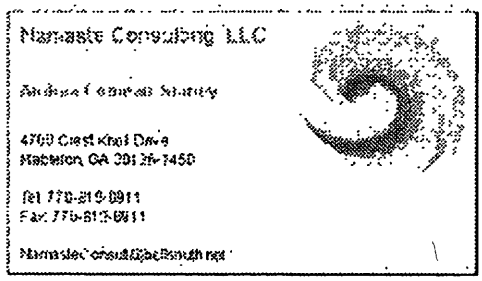
On the other hand, if you have already started discussions with anyone outside of your immediate family, John would like to see the list of people as well as the list of any potential "suitors" that you have considered so he could evaluate the risks involved in sharing information with that company.

Thanks,.

Andrea

****To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice included in this written or electronic communication is not intended or written to be used, and it cannot be used by the taxpayer, for the purpose of avoiding any penalties that may be imposed on the taxpayer by any governmental taxing authority or agency*****

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Version: 2012.0.1901 / Virus Database: 2109/4724 - Release Date: 01/05/12

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Version: 2012.0.1901 / Virus Database. 2109/4732 - Release Date: 01/09/12

Gandis – Business Opportunities Meeting
October 30, 2007

Partnership ("LLC") Structuring Issues

1. Ownership, Income & Distributions:
    a. What will be contributed as capital by John Gandis to the LLC?
        i. At Formation? 100% - $60,000 on home equity line, $30,000 borrowed from DecoTex line ($300,000) John borrowed from bank and put 60K into CCC's bank account. Decotex borrow $$ and then lent to this company (not equity but a loan) Should Decotex become a partner in CCC or should this be a loan between Decotex and CCC
        ii. Subsequently? 100% - All debt funded from John… borrowed $15,000 from M-Tech Properties LLC line to purchase film. Single member LLC owned by John which owns the real property – already has a $125,000 line (at this point, no debt has been drawn) There will be NO mandatory additional contributions by John and subsequent funding will be lent to the company at 15%.
    b. What will be contributed as capital by Dave to the LLC?
        i. At Formation? None
        ii. Subsequently? None – I would like to have Dave's name attached to the M-Tech Properties note, but I don't know if we will be able to make that happen. Dave lists the contractual relationships, along with the commissions and historical sales levels. We want the big Minova in this listing, but anything that is not our product is excluded and somehow we need to prohibit him from doing new deals in our market that don't come through here.
    c. What are the ownership percentages? I'm cool with 50/50… We going to have priority returns on this old book of business, under which Dave earns his old commission on his old poundage up to $8K per month, and John earns his old commission on the same poundage, each month. Shortage cause shortfalls in this distributions and excesses are held to cover shortfall months. NOT A GUARANTEED PAYMENT - but rather a priority allocation. In the event the margin suffer – both parties take the reduction
    d. Will any member have a preferential distribution of profits or cash flow?
        i. Dave annual payment for services (minimum salary expectation – hopeful salary expectation) Dave needs to make $8000 a month… that is what he currently pays himself. I think that with the current level of business that we are bringing in – we should be ok. As regards the customer relationships on the list, Dave is to receive a priority profits allocation up to the $8 based upon his old commission rate on those old pounds John earns his old commission rater on those same old pounds.

ii. John - return on capital (equipment) invested, management fee (and why is this in ADDITION). Not sure I am understanding here. Rebuilding machines, accounts payable, accounts receivables, employees are now a shared cost - and they need to come FIRST before the priority distributions. Then we need to come up with a reasonable "management" element that ties with Dave's.

iii. What is the rationale for providing a "salary" rather than merely dividing profits? (Note – this question is not an attempt to eliminate salaries, but rather to help focus on the total business and all the various ways in which the members are compensation for their assets and their time). I guess because Dave needs to make some money – dividing profits... as long as he get's at least $8k a month and this may be a good scenario.

e. How and when will cash flow be distributed? Dave needs something monthly... management fee for me can be whenever.

i. By majority vote? Yes For dissolution, for new debt, for wind down.

ii. Mandatory distribution of all profits? At some level Monthly = need an accounting of the pre-contribution accounts with the volumes COLLECTED and a tentative determination of the priority profit distribution. At the same time, we need an overall accounting of the company's distributable cash flow. - and the LESSER of overall profits or the priority will be distributed. Any deficit in the priority distribution carryover to months that have excess operations.

Distributable cash flow in year one is Amounts collected less account payable at month end. In year two, Distributable cash flow is Amounts collected less accounts payable at month end less 1/12 of owner loans (with accrued interest thereon). Need to write this so the owner loans are ratable paid down in year two.

iii. Distributions sufficient to pay income taxes on LLC profits allocations (What to do when cash flow does not match taxable income)? No mandatory tax distributions so long as the priority distributions of profits are being made. Once the owners have agreed to terminate the priority distribution regime, then tax distributions will be required on a quarterly basis from profits based upon the prevailing federal and state tax rates to the extent cash distributions are less than this amount.

iv. What to do if cash flows are not sufficient to meet the minimum salary and management fee expectation of the partners. Good question .. have any suggestions. I would hate to borrow money on a new company like this. No guaranteed payments and distributions are subject to overall cash flow limitations. If cash is low in company, then everyone is low.

Gandis – Business Opportunities Meeting
October 30, 2007

2. Management
   a. Will managers be designated or will all managers jointly manage? I have been running all operations… Dave runs the sales John is a managing member - ask the attorney what is risk differential to John is Dave's interest is a non-managing interest.
      i. Do some have specific powers? Yes
      ii. If more than one, how to handle joint management? Mutual agreement Specify things that need unamimous decisions.
      iii. How are contract decisions to be made? Must be jointly for contracts over $5,000.
      iv. How are decisions about large capital investments to be made? Jointly – for assets over $5,000.
      v. How will the decision to continue or dissolve the venture be made? I would like to control this decision as long as the equipment is in my name. Both parties retain the right to have distributions in KIND of assets they contributed to the venture. If one person wants to go …. Mediation before a lawsuit.
   b. How to handle votes in a two-member entity? When will one member be able to commit the entity to a business transaction without the prior-approval of the other member. Dollar limits ?
   c. What decisions require special voting (e.g. supermajority or unanimous vote of members/managers)? How is to handle these types of decisions as the company grows? Sounds like all of these need special voting.
      i. Hiring senior lever employees? yes
      ii. Terminating employees? no
      iii. Admitting a new member? Yes - we also want to limit the transferability of the interest – and we want to cover what happens in the event of death and divorce with the new and unwanted partner.
      iv. Purchase or redemption of membership interest except as specifically contemplated by an LLC operating agreement?
      v. A change in the nature of the LLC's business? yes
      vi. Any requirement obligating (all) members to make additional capital contributions? yes
         1. Approval of RFPs ptior to submission by contributing member?
         2. Notification of bid variances [illegible]?
      vii. The creation by the LLC of any debt or contract obligations that, taken with all other existing debts and contract obligations (other than anticipated obligations to pay for routine services and supplies)

require the LLC to pay more than $250,000 (specify amount) in any year?

viii. Entering into any agreement or arrangement with an affiliate of a member? Yes – pre-existing arrangements for space, utilities, and loans. We need a rental agreement $750. We need to verify the Decotex LOC reps & warrants to determine the structure of the $30,000.

ix. Liquidation or dissolution of the LLC? Yes

x. Taking any action, including but not limited to the sale of any asset, outside the ordinary course of business? Yes

xi. The merger or consolidation of the LLC with another entity? Yes

xii. Relocation of the LLC's principal place of business, the opening of any new company office, the entrance into a new business by the LLC, or the cessation of the LLC's business? Yes

xiii. Increasing, modifying, consolidating, or extending any loan, whether secured or unsecured, affecting the LLC? Yes

xiv. Distributing any cash or property of the LLC to any member, other than as provided in the LLC operating agreement? Yes

xv. Assigning the rights of the LLC in any of its properties? Yes

d. In a two-member deal – recommend that the operating agreement can be amended only by unanimous vote. Yes

3. Employment and Compensation

a. Will any partner be "employee" (i.e. receive guaranteed payments) of the LLC? (Note: true employee status is not possible with an LLC). Note- a guaranteed payment is different from a profit split in that the guaranteed payment is fixed – even if no money is made (or profit is earned). A guaranteed payment needs to be funded from alternative sources when no profits are there. Yes – would have to fund from some type of line (preferably the M-Tech properties line). No guarantee payments.

b. Is compensation to be paid as a stated salary or under a formula? (Or is compensation to be left to a vote of the members/managers (see Paragraph 1D)). What do you think it better? There will be a formula for the priority allocation based upon the contributed accounts – for one year to be renewed and recalibrated at the 2nd year and 3rd year – after which priority allocation is to be removed.

c. Generally employee benefits (vacation, insurance, etc) should also be described – unless they are provided in a separate entity. If he is not an employee is it really important to outline this?

d. Termination of employment

i. On what notice can employee quit? Years notice ? ☺ 90 days ? Death, disability (impaired) are covered separately -- otherwise we have a partnership termination. Really should cover termination for cause -- and have some remedies.

ii. On what notice can the LLC terminate employment without cause? Need help here... what is customary ? Not applicable here

iii. Need to include a "for cause" provision, will notice be required? Need help here. Attorney will provide language.

e. Is there a noncompete provision? Needs to be... minus the three. Everything in our industry(product category) goes through LLC – first right of refusal on every single contract opportunity (new or old customers), and if we refuse, then he can pursue independently including through the Chinese and India shitting business partners.

i. During employment? There are three accounts that Dave wants to retain something over... may be easier to discuss this over the phone.

ii. After termination or employment? Would be nice to have. Need non-compete in instance when entities dissolve for cause.

f. Is there an agreement regarding disclosure of confidential information? We do not currently have anything in place... should we? Some generic confidentiality language is ok.

g. Is there an agreement regarding solicitation of employees? Not sure that I understand this... are you saying if someone left that could not "raid" the staff ?

4. Transferability and Issuance of Membership Interest

a. In general, membership interests should be NONTRANSFERABLE Ok.

b. Should transfer to family members or other members or employees be permitted? No

c. Can the LLC issue new membership interests without giving existing members preemptive rights? Don't understand the questions. No new members without unanimous vote/

5. Buy – Sell Provisions

a. How is each membership interest valued? Need help

i. Net book value based on financials:

1. Use depreciated value or 50% of cost, whichever is greater?

2. Accrue all expenses?

3. Exclude accounts receivable and pay some percentage as salary continuation?

4. Exclude life insurance proceeds on the death of a member

ii. Formula based on some other factor (with Goodwill component)? Not a lot of goodwill generated for a toll slitting business.

iii. Outside Appraisal?

iv. Is each member guaranteed to receive what he paid (capital) or some stated amount? Should

b. Who should purchase the interest (the LLC or the other members)? Other member

c. What happens on the death of a member? Assets should be book to fair market value & credited to the capital accounts. Then the book of business in effect on that day should continued to be shared for 9 months at which point the deceased partner's capital account is fully redeemed and the business must leave the premises – unless a lease extension is negotiated. There will be a right to dispute FMV book up at some reasonable cost to the entity.

i. Mandatory purchase by the LLC? (Time period of at least 18 months) Yes Latest date the other person should receive money is 18 month.

ii. Option to purchase by the LLC? (Or the other member)? Yes

iii. "Put" by estate to LLC? (Or other member)? Yes

d. What happens on disability of member?

i. Same as death? Yes -

e. What happens with divorce of a member?

i. Prohibition on actual transfer of interest to spouse? Yes

ii. Prohibition on involvement by spouse? Yes

iii. Other?

f. What happens on termination of employment of member?

i. Voluntarily by the member

1. Immediately off manager board? Yes
2. No further vote as member? Yes
3. Mandatory purchase by the LLC?
4. Option to purchase by the LLC? Yes
5. No obligation on LLC to purchase?

ii. Involuntarily by the LLC

1. Same issues as above
2. What if terminated "for cause" Yes

a. Reduction in value?

b. Reduction in salary continuation?

g. How is the purchase price to be paid?

i. Immediately available funds upon closing?

ii. Installments over 36 months (or lesser period)? Yes

1. Interest rate? Yes - low
2. Security interest in LLC assets to secure payment?
3. Personal guaranty by other members?
4. Are there extended payments at lower (or no) interest rates for members who quit? No
5. Is there a non-compete that causes forfeiture of payout of membership value or salary continuation?
6. Is there a vesting schedule on the value or on any salary continuation? Yes

iii. Will there be any life insurance on the members? Maybe eventually

iv. Should there be a "put-call" provision? (What period of time permitted on reciprocal offers?) Yes - 6 months

h. What should happen to assets in the event that the partners agree to voluntarily terminate the LLC? Go to pay off debt – then distributed

i. Each partner is entitled to receive the identical asset they contributed

1. How is the asset to be valued at distribution? Good question – need some suggestions here. Valued at book basis – such that each receives what they got.

ii. What items would be required to be sold – so cash could be divided? All properties help by the company. – that were NOT contributed by one of the partners or purchased in replacement of an asset contributed by a partner. Partners will be permitted to purchase the assets if they are the highest bidder.

iii. Would either partner be prohibited from continuing to pursue activities with the same customers, in same area, etc.? Yes No non-compete with a voluntarily dissolution. Each is free to pursue with all customers.



Mark McGarel

From:	Mark McGarel
Sent:	Monday, January 09, 2012 7:46 AM
To:	Packaging Industries Inc
Subject:	Fw: financials
Attachments:	financials.xlsx

Sent from my Verizon Wireless BlackBerry

From: "Dave Wilson" <davewilsonsr@charter.net>
Date: Mon, 9 Jan 2012 06:33:30 -0500
To: Mark McGarel<mmcgarel@filmtechinc.com>
Subject: financials

Hi Mark,

Please see attached spreadsheet with financials for discussion. The most convenient place to stay in Greenville would be at the Pelham Rd exit off I-85. There is a full service Mariott, a Marriott Courtyard, a Hampton Inn, Holiday Inn Express, etc all within 1 mile of the exit. Plenty of places to eat there as well and its 5 minutes from my house. Let me know today if you need any other info prior to our meeting tomorrow. When you decide where to stay, let me know and we can meet there at 3:00 tomorrow.

Regards,

Dave

1684

Mark McGarel

From: Dave Wilson [davewilson@easternfilms.net]
Sent: Wednesday, January 11, 2012 12:19 PM
To: Mark McGarel
Subject: RE: thanks

Hi Mark,

I spoke with my attorney today about leaving CCC and going to work for you. I would like to hammer out the details of an agreement with you. Should we do this by phone, in person, or via email? I'm ready to go at any time and will disassociate as soon as you and I have our deal in place. Also, after we work through the details, would you prefer to have the agreement drafted, or have my attorney draft it for your review?

Regards,

Dave

From: mmcgarel@filmtechinc.com [mailto:mmcgarel@filmtechinc.com]
Sent: Wednesday, January 11, 2012 11:30 AM
To: Dave Wilson
Subject: Re: thanks

Likewise Dave;

Alos, Here are the products I am trying to sell that I mentioned yesterday.

.00035 foil at 28.5" wide. 18,000 lbs
48 gauge clear SP95 at 28.75" wide 24,000 lbs

If you have interest let me know.
Sent from my Verizon Wireless BlackBerry

From: "Dave Wilson" <davewilson@easternfilms.net>
Date: Wed, 11 Jan 2012 11:03:04 -0500
To: Mark McGarel<mmcgarel@filmtechinc.com>
Subject: thanks

Hi Mark,

Mark McGarel

From: Dave Wilson [davewilson@easternfilms.net]
Sent: Monday, January 16, 2012 12:11 PM
To: Mark McGarel
Subject: Filmtech

Hi Mark,

I look forward to the opportunity to join your organization. I'm eager to start with Filmtech as quickly as possible and work to grow Filmtech revenue in new areas. Here are the points of discussion for our agreement.

1. Commission rate – 5% on gross sales for all customers I bring to Filmtech. X% commission (TBD) to manage any existing Filmtech business.

2. More than 5% on sales exceeding normal margins - % TBD by Mark.

3. Territory – domestic and international

4. Full time employee with draw or salary of $8k per month for a period of time until my commission reaches a level that supports my needs. My goal will be to move as much of the business I manage at CCC to Filmtech as quickly as possible. In addition, I will work to bring prospective business that CCC has been working on or qualifying over the past 3 to 6 months. I will also need about $500 per month to secure an office, phone and internet service.

5. Start Date – timely based on agreeable terms

I will call you today to discuss these points and the questions you raised on Friday. Thanks again for your interest in me and the opportunity to partner with you in the near future.

Regards,

Dave

From: Dave Wilson <davewilson@easternfilms.net>
Sent: Wednesday, January 11, 2012 11:03 AM
To: Mark McGarel (mmcgarel@filmtechinc.com)
Subject: thanks

Hi Mark,

Thanks for dinner last night and the time you spent discussing our business options. I am very encouraged by your willingness to work with me. I will call or email very soon to discuss in more detail.

Regards,

Dave

From: Dave Wilson <davewilson@easternfilms.net>
Sent: Friday, January 13, 2012 9:52 AM
To: Mark McGarel (mmcgarel@filmtechinc.com)
Subject: FW: McGarel- FILMtech
Attachments: _Certification_.txt; _Certification_.htm

Hi Mark,

Thanks for the email. I'll work on my response. Please send all future emails pertaining to our working together to my eastern films email address. I can't be 100% sure that the CCC email is secure. Back to you soon.

Regards,

Dave

From: Dave Wilson [mailto:dave@ccc-films.com]
Sent: Friday, January 13, 2012 9:48 AM
To: 'Dave Wilson'
Subject: FW: McGarel- FILMtech

From: Mark McGarel [mailto:mmcgarel@filmtechinc.com]
Sent: Friday, January 13, 2012 9:34 AM
To: Dave Wilson
Subject: McGarel- FILMtech

Dave; some ideas/Concepts for further discussion about a possible sales agency agreement.

Would you re start Eastern Film Solutions or a new entity? Are there any lingering issues with EFS if you restarted? Conflicts with CCC?
Do you want an exclusivity? By territory? By market?
Would you sell (if you can) the UL listing from Eastern Film Solutions? If you can't sell, we would need to discuss timing and cost to get a UL listing

Can you break out the business sections and the film types needed to service.

Folding Carton – PET/BOPP
Window Bag – BOPP/PET
Flex Duct – PET
Bakery overwrap – BOPP 2 side sealable
Cable wrap - PET
Plastic cutlery – LDPE/BOPP
Toll Slitting - ???
Others - ???

What is the standard lead time for servicing orders?
What is sales price less raw material costs?
What are standard terms of sale?
What is typical order size by market?
What is typical pallet/packaging configurations?
How much stock do we need to have for what level of sales?

What are your expectations for compensation?
What legal repercussions might result from our collaboration?

I'm sure there is more but this should get us started.....

Regards;

Mark McGarel
FILMtech Inc.
865.767.3533 ext 103
www.filmtechinc.com

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Regards,

Dave

10. Flexible Packaging – clear 48 gauge pet, metallized 48 ga pet, clear pvdc coated pet. You know the metallized business. The clear business is serviced by the US producers, offshore producers, brokers and distributors. Most of the pvdc business is serviced by distributors. Selling prices range from $1.35 to $1.65/lb for 48 ga corona. $2.45 to $2.75/lb for pvdc orders. The key to servicing the small to medium size packaging converters is have a mix of stocked widths and the ability to slit 3000 to 5000 lb orders quickly.
11. Labels – 48, 92, 142 and 200 gauge clear, typically high clarity chem treated but not always. Widths are usually 4" to 20" wide. Pricing is slightly higher than the packaging market. BOPP overlam films are also used. 60 to 90 gauge non sealable.

See attached spreadsheet with a breakdown of the CCC business including customers and top prospects. Look this over and call me to discuss.

Thanks,

Dave

From: Mark McGarel [mailto:mmcgarel@filmtechinc.com]
Sent: Friday, January 13, 2012 10:02 AM
To: Dave Wilson
Subject: RE: McGarel- FILMtech

Understood.

Regards;

Mark McGarel
FILMtech Inc.
865.767.3533 ext 103
www.filmtechinc.com

From: Dave Wilson [mailto:davewilson@easternfilms.net]
Sent: Friday, January 13, 2012 9:52 AM
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Subject: FW: McGarel- FILMtech

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What legal repercussions might result from our collaboration?

I'm sure there is more but this should get us started. ..

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Mark McGarel
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www.filmtechinc.com

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This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

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This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

From: marty.eggerss@mmm.com
Sent: Monday, January 16, 2012 3:55 PM
To: Dave Wilson
Subject: RE: Opportunity for Converting / Re-sale

OK, thanks Dave. I'll pass this on.

I would "equalize" the price to you of the 61-inch relative to the 56-inch in order to compensate for the yield loss.

Marty Eggerss | Technical Service Manager
3M Film Manufacturing Operations
3M Center, 220-12E-04 | St. Paul, MN 55144-1000
Office: 651 733 9432 | Mobile: 651 331 9346 | Fax: 651 575 1977
marty.eggerss@mmm.com | www.3M.com

From: "Dave Wilson" <davewilson@easternfilms.net>
To <marty.eggerss@mmm.com>
Date 01/16/2012 01 32 PM
Subject: RE Opportunity for Converting / Re-sale

Hi Marty,

Toll slitting cost would be $.18 to $.20 per lb. If we bought it from you at $1.30 to $1.40 56" wide, we would slit and resell it for $1.95 to $2.05 per lb. If we had to buy 61", we'd charge more on the sale because of the trim loss. Let me know if this works for you.

Thanks,

Dave

From: marty.eggerss@mmm.com [mailto:marty.eggerss@mmm.com]
Sent: Monday, January 16, 2012 1:55 PM
To: Dave Wilson
Subject: Opportunity for Converting / Re-sale

Dave,

Input rolls would be our 777 500 gauge, either 61" or 56" width. 2,700 yd (8,100 ft).

Output rolls are to be 18" X 1,000 FEET.

I have to check if the output is 3" or 6" cores.

Marty Eggerss | Technical Service Manager
3M Film Manufacturing Operations
3M Center, 220-12E-04 | St. Paul, MN 55144-1000
Office: 651 733 9432 | Mobile: 651 331 9346 | Fax: 651 575 1977
marty.eggerss@mmm.com | www.3M.com

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Checked by AVG - www.avg.com
Version: 2012.0.1901 / Virus Database. 2109/4746 - Release Date: 01/16/12

From: Dave Wilson <davewilson@easternfilms.net>
Sent: Monday, January 16, 2012 5:34 PM
To: 'Mark McGarel'
Subject: RE: McGarel- FILMtech
Attachments: product mix filmtech.xls

Hi Mark,

Good questions. If we go the route of me working as a commission agent for Filmtech or Plastic Industries, I would more than likely keep Eastern Film Solutions as my business entity, unless my accountant thinks it would be advantageous to set up a new business. I can't think of any reasons not to keep Eastern Film Solutions open. I will speak with UL about a file. Since the original file was under EFS, it may be easier to get the file set up as EFS as opposed to a new file name. If we set up the file as EFS, product could be labeled as EFS but still produced and billed under a different company name i.e. Plastic Industries. If we have to set up a new file, the cost would be roughly $6000 and it would take several months to get the file set up.

I am waiting for the final word from my attorney regarding conflicts with CCC. Last word was that I am free to resign and compete with the company since it was set up as a manager managed LLC with John as the only manager. There would be no risk to your companies with me working as an agent or employee.

Markets and products:

1. Folding Carton – mostly high clarity pet and non sealable BOPP. Thicknesses for pet are mostly 92 ga to 300 gauge with some smaller quantities of 4, 5 and 7 mil. On the BOPP, thickness ranges from 100 ga to 200 gauge. Small orders ranging from 500 lbs to 3000 lbs depending on the size of the customer. Lead time is usually less than one week. 3" cores, 13" OD. Selling prices range from $2.45 to $2.65 on pet and $1.60 to $1.80 on BOPP. Stocking 2000 to 3000 lbs of each thickness should suffice in the beginning.
2. Window Bag – 48 to 92 ga pet. 75 to 90 gauge BOPP. Widths from 6" to 20". Selling prices from $1.65 to $1.85 on pet, $1.65 to $1.85 on BOPP. Lead times may be longer but not typically more than 2 weeks.
3. Flex Duct – you know the products. Pricing from $1.45 to $1.55 on clear 48 gauge, $1.55 to $1.75 on met pet. Lead times are usually 3 weeks or longer. Surplus film a must for this market.
4. Bakery Overwrap – customers can range from those who use one pallet per month to 100,000 lbs per month. The larger accounts obviously are serviced by the manufacturers. 80 to 160 ga BOPP 2 side sealable. Lead times from 2 weeks to 4 weeks. Selling prices from $1.35 for large accounts to $1.65 for smaller accounts. Widths from 7" to 15" on 3" cores
5. Cable wrap – there has been some consolidation over the years so most of the companies are good size. 92 to 500 ga general purpose pet in widths from 2" to 5" on 3" cores. Don't know where selling prices are at this time.
6. Plastic Cutlery – 80 ga BOPP 2 side sealable, widths from 7" to 11". Pricing in the $1.35 to $1.45 range for larger customers. Widths are predictable and they like stocking programs.
7. Book Jackets – some 142 and 200 ga general purpose pet. Most is 142 and 200 ga high clarity 2 side chem treat. Widths from 7" to 17". Pricing at $1.90 for general purpose, $2.10 to $2.20 for high clarity chem treated. Lead times are 1 to 2 weeks.
8. Toll Slitting – hard to nail this down. Target accounts are mostly producers but sometimes converters who need narrow web films not available from the producers. Also some very narrow slit widths not offered by many slitters. You need the right equipment or tooling to go below 1" in width.
9. Tape manufacturers and coaters – both PET and BOPP films are used. Widths are typically 50" or wider. BOPP component is typically serviced by film producers both domestic and offshore. PET component is serviced by producers and distributors.

10. Flexible Packaging – clear 48 gauge pet, metallized 48 ga pet, clear pvdc coated pet. You know the metallized business. The clear business is serviced by the US producers, offshore producers, brokers and distributors. Most of the pvdc business is serviced by distributors. Selling prices range from $1.35 to $1.65/lb for 48 ga corona. $2.45 to $2.75/lb for pvdc orders. The key to servicing the small to medium size packaging converters is have a mix of stocked widths and the ability to slit 3000 to 5000 lb orders quickly.
11. Labels – 48, 92, 142 and 200 gauge clear, typically high clarity chem treated but not always. Widths are usually 4" to 20" wide. Pricing is slightly higher than the packaging market. BOPP overlam films are also used. 60 to 90 gauge non sealable.

See attached spreadsheet with a breakdown of the CCC business including customers and top prospects. Look this over and call me to discuss.

Thanks,

Dave

From: Mark McGarel [mailto:mmcgarel@filmtechinc.com]
Sent: Friday, January 13, 2012 10:02 AM
To: Dave Wilson
Subject: RE: McGarel- FILMtech

Understood.

Regards;

Mark McGarel
FILMtech Inc.
865.767.3533 ext 103
www.filmtechinc.com

From: Dave Wilson [mailto:davewilson@easternfilms.net]
Sent: Friday, January 13, 2012 9:52 AM
To: Mark McGarel
Subject: FW: McGarel- FILMtech

Hi Mark,

Thanks for the email. I'll work on my response. Please send all future emails pertaining to our working together to my eastern films email address. I can't be 100% sure that the CCC email is secure. Back to you soon.

Regards,

Dave

From: Dave Wilson [mailto:dave@ccc-films.com]
Sent: Friday, January 13, 2012 9:48 AM
To: 'Dave Wilson'
Subject: FW: McGarel- FILMtech

From: Mark McGarel [mailto:mmcgarel@filmtechinc.com]
Sent: Friday, January 13, 2012 9:34 AM
To: Dave Wilson
Subject: McGarel- FILMtech

Dave; some ideas/Concepts for further discussion about a possible sales agency agreement.

Would you re start Eastern Film Solutions or a new entity? Are there any lingering issues with EFS if you restarted? Conflicts with CCC?
Do you want an exclusivity? By territory? By market?
Would you sell (if you can) the UL listing from Eastern Film Solutions? If you can't sell, we would need to discuss timing and cost to get a UL listing

Can you break out the business sections and the film types needed to service.

Folding Carton – PET/BOPP
Window Bag – BOPP/PET
Flex Duct – PET
Bakery overwrap – BOPP 2 side sealable
Cable wrap - PET
Plastic cutlery – LDPE/BOPP
Toll Slitting - ???
Others - ???

What is the standard lead time for servicing orders?
What is sales price less raw material costs?
What are standard terms of sale?
What is typical order size by market?
What is typical pallet/packaging configurations?
How much stock do we need to have for what level of sales?

What are your expectations for compensation?
What legal repercussions might result from our collaboration?

I'm sure there is more but this should get us started.....

Regards;

Mark McGarel
FILMtech Inc.
865.767 3533 ext 103
www.filmtechinc.com

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	A	B	C	D	E	F	G	H	I
1	Customer	Product	widths	lbs per month in budget	Total lbs purchased	Selling price	Film cost	total budgeted sales	budget film cost
2	1	92 ga corona	45, 49, 53	2000	10000	$ 1.45	$ 1.15	$ 2,900 00	$ 2,300.00
3	1	48 ga met pet	45, 49, 53	2000	5000	$ 1.80	$ 1.26	$ 3,600 00	$ 2,520.00
4	1	92 ga matte	45"	2000	4000	$ 2.40	$ 1.80	$ 4,800.00	$ 3,600.00
5	2	60 ga met bopp	37"	5000	5000	$ 2.10	$ 1.50	$ 10,500.00	$ 7,500.00
6	3	HC pet chem treat	3 to 6"	2350	2350	$ 2.45	$ 1.55	$ 5,757.50	$ 3,642.50
7	4	48 ga chem treat	29"	1000	3000	$ 2.30	$ 1 15	$ 2,300.00	$ 1,150.00
8	5	92 ga plain	48"	3500	3500	$ 1.90	$ 1.25	$ 6,650.00	$ 4,375.00
9	6	2 mil plain	12"	1200	1200	$ 2.70	$ 1.12	$ 3,240.00	$ 1,344.00
10	7	pvdc pet	30" to 45"	1800	5000	$ 2.45	$ 1.95	$ 4,410.00	$ 3,510.00
11	8	pvdc pet	30" to 45"	6500	6500	$ 2.45	$ 1.95	$ 15,925.00	$ 12,675.00
12	8	48 ga corona	27" to 48"	2000	10000	$ 1.65	$ 1.15	$ 3,300.00	$ 2,300.00
13	9	142 ga plain	7" to 15"	6000	10000	$ 1 95	$ 1 00	$ 11,700.00	$ 6,000.00
14	9	200 ga HC chem	7" to 15"	500	500	$ 2 90	$ 1.55	$ 1,450 00	$ 775 00
15	10	5 mil HC chem	4" to 12"	100	100	$ 2.45	$ 1.55	$ 245 00	$ 155.00
16	11	pvdc pet	30" to 45"	2000	4000	$ 2 45	$ 1.95	$ 4,900.00	$ 3,900.00
17	11	48 ga met pet	30" to 45"	4000	10000	$ 1.80	$ 1 26	$ 7,200 00	$ 5,040 00
18	11	48 ga corona	30" to 45"	5000	100000	$ 1.55	$ 1 15	$ 7,750.00	$ 5,750 00
19	12	48 ga corona	60"	500	500	$ 1 80	$ 1 15	$ 900.00	$ 575.00
20	13	92 ga plain	29.625"	1500	1500	$ 1 70	$ 1.15	$ 2,550.00	$ 1,725.00
21	14	200 ga plain	3 375"	5000	5000	$ 1 60	$ 1 20	$ 8,000.00	$ 6,000.00
22	14	142 ga plain	3 375"	2000	2000	$ 1.60	$ 1.00	$ 3,200.00	$ 2,000.00
23	14	92 ga met pet	3 375"	1000	1000	$ 2 25	$ 1.75	$ 2,250.00	$ 1,750.00
24	15	48 ga corona	19" to 52"	1000	5000	$ 1 70	$ 1 15	$ 1,700 00	$ 1,150 00
25	15	48 ga met pet	19" to 52"	1000	3000	$ 1.95	$ 1 26	$ 1,950.00	$ 1,260.00
26	16	92 ga HC plain	61"	3000	20000	$ 1.45	$ 1.15	$ 4,350.00	$ 3,450.00
27	17	48 ga corona	25" to 47"	2500	10000	$ 1 65	$ 1 15	$ 4,125 00	$ 2,875 00
28	18	48 ga plain	2 5" to 3.375"	10000	10000	$ 1.55	$ 0.85	$ 15,500.00	$ 8,500.00
29	18	48 ga met pet	3.375"	5000	5000	$ 1 80	$ 1.00	$ 9,000 00	$ 5,000.00
30	19	500 ga HC chem	40"	200	5000	$ 2.15	$ 1 55	$ 430 00	$ 310.00
31	20	48 ga plain	1 75" to 2 5"	20000	80000	$ 1.45	$ 0.85	$ 29,000.00	$ 17,000.00
32	20	48 ga met pet	2 5"	5000	20000	$ 1 55	$ 1.00	$ 7,750 00	$ 5,000.00
33	21	48 ga corona	30" to 48"	2000	10000	$ 1 70	$ 1.15	$ 3,400.00	$ 2,300.00
34	21	48 ga met pet	30" to 48"	1000	3000	$ 1.95	$ 1.26	$ 1,950.00	$ 1,260.00
35	22	48 ga plain	2" to 2.375"	7500	7500	$ 1.50	$ 0 85	$ 11,250.00	$ 6,375.00
36	22	.00035 bare foil	3.5"	5000	5000	$ 2.45	$ 1.95	$ 12,250.00	$ 9,750.00
37	22	Pet / foil Laminate	1.75" to 2"	15000	15000	$ 2.25	$ 1.90	$ 33,750.00	$ 28,500.00
38	23	142 ga plain	29", 34"	1000	1000	$ 2.05	$ 1.00	$ 2,050.00	$ 1,000.00
39	24	92 ga plain	45"	500	2000	$ 2.10	$ 1.25	$ 1,050.00	$ 625.00
40	25	2 mil HC	61"	2500	7000	$ 2.05	$ 1 65	$ 5,125.00	$ 4,125 00
41	25	142 ga HC chem	7" to 15"	500	500	$ 2.25	$ 1.55	$ 1,125.00	$ 775.00
42	26	92/200 ga met pet	.5" to 2"	600	600	$ 5.50	$ 1.85	$ 3,300.00	$ 1,110.00
43	27	75 ga met pet	37"	2500	4000	$ 1.75	$ 1.30	$ 4,375.00	$ 3,250.00
44	28	142 ga plain	17" to 35"	1500	1500	$ 2.20	$ 1 00	$ 3,300 00	$ 1,500.00
45	28	92 ga plain	17" to 35"	500	500	$ 2.20	$ 1 20	$ 1,100.00	$ 600.00

1700

	J	K	L
1	Raw mat margin / lb	gross material margin	
2	$ 0.30	$ 600.00	
3	$ 0 54	$ 1,080 00	
4	$ 0 60	$ 1,200.00	
5	$ 0.60	$ 3,000.00	
6	$ 0 90	$ 2,115.00	
7	$ 1.15	$ 1,150.00	
8	$ 0.65	$ 2,275.00	
9	$ 1.58	$ 1,896.00	
10	$ 0.50	$ 900.00	
11	$ 0 50	$ 3,250 00	
12	$ 0 50	$ 1,000.00	
13	$ 0 95	$ 5,700 00	
14	$ 1.35	$ 675.00	
15	$ 0 90	$ 90.00	
16	$ 0.50	$ 1,000.00	
17	$ 0 54	$ 2,160.00	
18	$ 0 40	$ 2,000.00	
19	$ 0.65	$ 325 00	
20	$ 0.55	$ 825.00	
21	$ 0 40	$ 2,000.00	
22	$ 0 60	$ 1,200 00	
23	$ 0 50	$ 500 00	
24	$ 0 55	$ 550.00	
25	$ 0.69	$ 690.00	
26	$ 0.30	$ 900.00	
27	$ 0 50	$ 1,250.00	
28	$ 0.70	$ 7,000 00	
29	$ 0.80	$ 4,000 00	
30	$ 0 60	$ 120.00	
31	$ 0.60	$ 12,000 00	
32	$ 0 55	$ 2,750 00	
33	$ 0 55	$ 1,100 00	
34	$ 0 69	$ 690 00	
35	$ 0.65	$ 4,875.00	
36	$ 0 50	$ 2,500.00	
37	$ 0.35	$ 5,250.00	
38	$ 1.05	$ 1,050.00	
39	$ 0.85	$ 425 00	
40	$ 0 40	$ 1,000.00	
41	$ 0.70	$ 350 00	
42	$ 3 65	$ 2,190.00	
43	$ 0.45	$ 1,125.00	
44	$ 1.20	$ 1,800 00	
45	$ 1 00	$ 500.00	

	A	B	C	D	E	F	G	H	I
46	29	48 ga met pet	50", 62"	1200	1200	$ 3.00	$ 1.20	$ 3,600 00	$ 1,440 00
47	30	48 ga plain	2.5"	250	1000	$ 1.60	$ 0.90	$ 400.00	$ 225.00
48	31	pvdc pet	28" to 55"	4200	6000	$ 2.40	$ 1.95	$ 10,080.00	$ 8,190.00
49	32	48 ga met pet	29" to 55"	500	5000	$ 1.75	$ 1.26	$ 875.00	$ 630.00
50	33	48 ga corona	14" to 26"	500	2000	$ 1.80	$ 1.15	$ 900 00	$ 575.00
51	34	48 ga plain	17" to 21"	4000	4000	$ 1 75	$ 0.90	$ 7,000.00	$ 3,600.00
52	35	48 ga chem treat	40 5"	1500	1500	$ 2 20	$ 1.15	$ 3,300.00	$ 1,725 00
53	36	92 ga chem treat	40 5"	1000	1000	$ 2 20	$ 1.15	$ 2,200.00	$ 1,150 00
54	37	2 mil plain	26"	5000	5000	$ 1 10	$ 0 35	$ 5,500.00	$ 1,750.00
55	38	48 ga corona	31"	500	10000	$ 1 60	$ 1 15	$ 800.00	$ 575.00
56	39	48 ga met pet	9" to 32"	500	500	$ 2.15	$ 1 00	$ 1,075.00	$ 500.00
57	39	4 mil HC chem	9" to 32"	200	200	$ 2.55	$ 1.55	$ 510.00	$ 310.00
58	39	10 mil HC chem	9" to 32"	200	200	$ 2 55	$ 1.55	$ 510.00	$ 310.00
59	40	48 ga corona	27" to 54"	2000	20000	$ 1 60	$ 1 15	$ 3,200.00	$ 2,300.00
60	40	48 ga met pet	27" to 54"	1000	5000	$ 1.75	$ 1.26	$ 1,750.00	$ 1,260.00
61	40	pvdc pet	27" to 54"	1000	3000	$ 2 40	$ 1 95	$ 2,400.00	$ 1,950.00
62	41	pvdc pet	56"	300	300	$ 2 45	$ 1.95	$ 735 00	$ 585 00
63	41	142 ga chem	56"	500	500	$ 2.50	$ 1 55	$ 1,250 00	$ 775 00
64	42	92 ga silicone	25"	5000	5000	$ 1 85	$ 1.12	$ 9,250.00	$ 5,600.00
65	43	48 ga corona	56" to 61"	1000	3000	$ 1.80	$ 1.15	$ 1,800 00	$ 1,150.00
66	43	92 ga corona	56" to 61"	500	2000	$ 2.00	$ 1 40	$ 1,000.00	$ 700.00
67	44	48 ga plain	2.25"	2000	2000	$ 2 05	$ 0.90	$ 4,100.00	$ 1,800.00
68	45	200 ga HC chem	5 75"	5000	5000	$ 2.20	$ 1 55	$ 11,000.00	$ 7,750.00
69	45	92 ga corona	56" to 60"	2000	2000	$ 1.75	$ 1.40	$ 3,500.00	$ 2,800 00
70	45	2 mil HC chem	56" to 60"	2000	2000	$ 2 12	$ 1 55	$ 4,240.00	$ 3,100 00
71	47	142 ga pet plain	14"	4000	4000	$ 1.75	$ 1.15	$ 7,000.00	$ 4,600.00
72	48	142 ga HC chem	7" to 17"	10000	35000	$ 2.08	$ 1.65	$ 20,800 00	$ 16,500.00
73	49	48 ga met pet	3.375"	5000	10000	$ 1 60	$ 1.00	$ 8,000 00	$ 5,000.00
74									
75				205600	542150			$ 388,132.50	$ 261,151.50
76									
77									
78	**Prospects:**								
79	1	2 mil plain	4.75"	85000	85000	$ 1.95	$ 1.20	$ 165,750.00	$ 102,000 00
80	2	48 ga met .4 optical	43" to 73"	40000	80000	$ 1.85	$ 1.30	$ 148,000.00	$ 104,000.00
81	2	92 ga corona	43" to 73"	20000	30000	$ 1.65	$ 1.15	$ 49,500.00	$ 34,500 00
82	2	48 ga met chem	43" to 73"	30000	30000	$ 1.95	$ 1.46	$ 58,500.00	$ 43,800.00
83	3	2 mil plain	6.5"	40000	120000	$ 1.95	$ 1.20	$ 234,000.00	$ 144,000.00
84	4	48 ga plain	2" to 3.375"	30000	30000	$ 1 48	$ 0 85	$ 44,400.00	$ 25,500.00
85	4	48 ga met pet	2" to 3 375"	10000	10000	$ 1.75	$ 1.00	$ 17,500.00	$ 10,000.00
86	5	48 ga plain	2" to 3.375"	10000	10000	$ 1.55	$ 0.85	$ 15,500 00	$ 8,500.00
87	5	48 ga met pet	2" to 3 375"	3000	3000	$ 1 75	$ 1 00	$ 5,250.00	$ 3,000.00
88	6	75 ga corona	11" to 22"	5000	5000	$ 1 65	$ 1 20	$ 8,250 00	$ 6,000 00
89	6	75 ga BOPP	11" to 22"	10000	10000	$ 1.60	$ 1.15	$ 16,000.00	$ 11,500.00
90	7	120 ga 2 side acrylic	4" to 11"	10000	10000	$ 2.75	$ 2.35	$ 27,500.00	$ 23,500.00

	J	K	L
46	$ 1.80	$ 2,160 00	
47	$ 0.70	$ 175.00	
48	$ 0.45	$ 1,890.00	
49	$ 0.49	$ 245.00	
50	$ 0.65	$ 325.00	
51	$ 0.85	$ 3,400.00	
52	$ 1.05	$ 1,575.00	
53	$ 1.05	$ 1,050.00	
54	$ 0 75	$ 3,750.00	
55	$ 0.45	$ 225.00	
56	$ 1.15	$ 575.00	
57	$ 1 00	$ 200.00	
58	$ 1.00	$ 200.00	
59	$ 0.45	$ 900.00	
60	$ 0.49	$ 490.00	
61	$ 0 45	$ 450.00	
62	$ 0 50	$ 150.00	
63	$ 0.95	$ 475.00	
64	$ 0 73	$ 3,650.00	
65	$ 0 65	$ 650.00	
66	$ 0.60	$ 300.00	
67	$ 1 15	$ 2,300.00	
68	$ 0.65	$ 3,250.00	
69	$ 0 35	$ 700 00	
70	$ 0 57	$ 1,140 00	
71	$ 0.60	$ 2,400.00	
72	$ 0.43	$ 4,300 00	
73	$ 0.60	$ 3,000 00	
74			
75		$ 126,981.00	49%
76			
77			
78			
79	$ 0.75	$ 63,750.00	
80	$ 0 55	$ 22,000 00	
81	$ 0.50	$ 10,000.00	
82	$ 0.49	$ 14,700.00	
83	$ 0.75	$ 30,000.00	
84	$ 0.63	$ 18,900 00	
85	$ 0.75	$ 7,500.00	
86	$ 0.70	$ 7,000.00	
87	$ 0 75	$ 2,250.00	
88	$ 0 45	$ 2,250.00	
89	$ 0 45	$ 4,500.00	
90	$ 0.40	$ 4,000.00	

	A	B	C	D	E	F	G	H	I
91	8	25 optical met pet	6" to 7"	1500	1500	$ 1.95	$ 1.30	$ 2,925.00	$ 1,950 00
92	9	36 ga met pet	31"	20000	20000	$ 1 85	$ 1 30	$ 37,000.00	$ 26,000.00
93	10	48 ga met pet 25 optical	4", 5", 6"	30000	30000	$ 1 70	$ 1.30	$ 51,000.00	$ 39,000.00
94	11	48 ga met pet	41" to 49"	40000	40000	$ 1 85	$ 1 30	$ 74,000.00	$ 52,000.00
95	12	92 ga corona	57"	80000	80000	$ 1.50	$ 1.20	$ 120,000.00	$ 96,000.00
96	12	200 ga corona	57"	40000	40000	$ 1.50	$ 1.20	$ 60,000.00	$ 48,000.00
97	13	3 mil high clarity	3" to 6"	500	500	$ 2.45	$ 1.65	$ 1,225.00	$ 825.00
98	14	HC PET 92, 142	3" to 7"	5000	5000	$ 2 45	$ 1.65	$ 12,250.00	$ 8,250.00
99	15	2 mil plain	50"	40000	40000	$ 1 58	$ 1.20	$ 63,200.00	$ 48,000.00
100	16	48 ga plain	1.75" to 3"	7000	7000	$ 1.55	$ 0.85	$ 10,850.00	$ 5,950.00
101	16	48 ga met pet	1 75" to 3"	2000	2000	$ 1.80	$ 1 00	$ 3,600.00	$ 2,000.00
102	17	48 ga plain	2"	5000	15000	$ 1 35	$ 0.85	$ 20,250.00	$ 12,750.00
103	18	48 ga corona	26" to 50"	3000	3000	$ 1.60	$ 1.15	$ 4,800.00	$ 3,450.00
104	19	48 ga plain	1.625" to 6"	10000	80000	$ 1 45	$ 0.90	$ 116,000.00	$ 72,000.00
105	19	48 ga met pet	2" to 6"	5000	20000	$ 1.65	$ 1.00	$ 33,000 00	$ 20,000.00
106	20	48 ga corona	50"	1000	3000	$ 1.60	$ 1.25	$ 4,800.00	$ 3,750 00
107	21	48 ga plain	2", 2 25" 2 5"	10000	10000	$ 1.35	$ 0.85	$ 13,500.00	$ 8,500.00
108	22	foil / pet laminate	1 5", 1 75"	15000	15000	$ 2 20	$ 1.86	$ 33,000.00	$ 27,900.00
109	23	met BOPP	31"	3000	3000	$ 1 88	$ 1.50	$ 5,640.00	$ 4,500.00
110	24	48 ga corona	30" to 48"	2000	2000	$ 1.70	$ 1.15	$ 3,400 00	$ 2,300 00
111	24	48 ga met pet	30" to 48"	1000	1000	$ 1.85	$ 1 30	$ 1,850.00	$ 1,300.00
112	24	pvdc pet	30" to 48"	2000	2000	$ 2.45	$ 1.95	$ 4,900.00	$ 3,900.00
113	25	120 ga bopp	3" to 7"	10000	10000	$ 1.75	$ 1 20	$ 17,500 00	$ 12,000 00
114	26	48 ga corona	30" to 40"	3000	3000	$ 1 63	$ 1.15	$ 4,890.00	$ 3,450.00
115	26	48 ga met pet chem	30" to 40"	3000	3000	$ 2 25	$ 1 46	$ 6,750.00	$ 4,380.00
116	27	80 ga BOPP	7" to 11"	100000	100000	$ 1 40	$ 1.05	$ 140,000.00	$ 105,000.00
117									
118				732000	959000			$ 1,636,480.00	$ 1,129,455.00

	J	K	L
91	$ 0.65	$ 975.00	
92	$ 0.55	$ 11,000.00	
93	$ 0.40	$ 12,000 00	
94	$ 0.55	$ 22,000.00	
95	$ 0.30	$ 24,000.00	
96	$ 0 30	$ 12,000.00	
97	$ 0.80	$ 400.00	
98	$ 0.80	$ 4,000.00	
99	$ 0.38	$ 15,200.00	
100	$ 0.70	$ 4,900.00	
101	$ 0 80	$ 1,600.00	
102	$ 0.50	$ 2,500.00	
103	$ 0.45	$ 1,350 00	
104	$ 0 55	$ 5,500.00	
105	$ 0 65	$ 3,250.00	
106	$ 0 35	$ 350 00	
107	$ 0.50	$ 5,000 00	
108	$ 0.34	$ 5,100.00	
109	$ 0.38	$ 1,140.00	
110	$ 0 55	$ 1,100.00	
111	$ 0.55	$ 550.00	
112	$ 0.50	$ 1,000 00	
113	$ 0.55	$ 5,500 00	
114	$ 0.48	$ 1,440.00	
115	$ 0.79	$ 2,370.00	
116	$ 0.35	$ 35,000.00	
117			
118		$ 366,075 00	32%

NEXSEN|PRUET

William H. Floyd, III
Member
Certified Employment & Labor Law Specialist
Admitted in SC

January 19, 2012

VIA FACSIMILE AND MAIL 864.239.4112

Clayton L. Jennings, Esquire
Jennings Law Firm, LLC
1151 East Washington Street
Greenville, SC 29601

Re: Your Client: David Wilson
Our Client: Carolina Custom Converting, LLC

Dear Mr. Jennings:

We understand that you represent Mr. Wilson, a former employee of Carolina Custom Converting, LLC.

Mr. Wilson has removed certain company property and has it in his possession or control. This property includes one or more computers or blackberry cell phones. That property, including its contents, belongs to Carolina Custom Converting, LLC and he improperly has it without its consent. The contents of the property include proprietary information, trade secrets, and other intellectual property of my client. For example, the computer data includes customer lists as well as customer sales information.

Mr. Wilson must not destroy, copy, sell, or use any of this property, including the computer data. To do so would violate South Carolina law, irreparably harm Carolina Custom Converting, LLC, and breach his fiduciary duties as a member of the LLC. Mr. Wilson must return this property, including all related data, to Carolina Custom Converting, LLC today before the close of business.

Please have him deliver it to Nexsen Pruet at 55 East Camperdown Way, Suite 400, Greenville, SC 29601 by no later than 5:00 p.m. today. Delivery should include

Charleston
Charlotte
Columbia
Greensboro
Greenville
Hilton Head
Myrtle Beach
Raleigh

1230 Main Street
Suite 700 (29201)
PO Drawer 2426
Columbia, SC 29202
www.nexsenpruet.com

T 803.253.8201
F 803.727.1436
E WFloyd@nexsenpruet.com
Nexsen Pruet, LLC
Attorneys and Counselors at Law

any copies of this information, electronic or otherwise. At that time, please also delivery any other company property in his possession or control.

Thank you for your assistance.

Sincerely,

William H. Floyd, III

WHF/gpc

bcc: Mr. John Gandis
Ms. Andrea Comeau-Shirley

To: john@ccc-films.com
Subject: Fw: analysis of sales mix - FILMtech
Sent from my Verizon Wireless BlackBerry

From: "Renee McGarel" <mcgarel@charter.net>
Date: Sat, 21 Jan 2012 17:42:09 -0500
To: 'Mark McGarel'<mmcgarel@filmtechinc.com>; <davewilsonsr@charter.net>
Cc: <kstansberry@filmtechinc.com>
Subject: analysis of sales mix - FILMtech
Dave; sorry I haven't been able to get to this sooner; I know your timeline is compressed and you are looking at some other opportunities. We can discuss Monday in detail.
On the Summary page I added what FT is currently paying for the films listed and then applied our standard costs to the item. It doesn't look promising but I think that is because of the difference between B grade and prime film.
I have several concerns/questions; about how this business mix will impact FT
- Buying Non prime films appear critical and make a large impact on the margin with the business mix analyzed
- Logistics might be difficult in our system as I would be mixing prime with non prime (have spec's per customer)
- Its doubtful FT possesses all the equipment to run the different films (would need some rewinders/doctor machines)
Talk to you Monday....Mark

Attachments

1. revised Jan 19 mix CCC.xlsx

Type:	application/vnd.openxmlformats-officedocument.spreadsheetml.sheet
Size:	59 KB (61,344 bytes)

Attachment #1
revised Jan 19 mix CCC.xlsx
Original view
18 pages (displayed on pages 2326 to 2343)

Customer	Product	widths	ts by Monti	Hourly Cost	Selling pri	Film cost	FT-COST	total budg
1	92 ga coror	45, 49, 53	2000	414.800	$ 1.45	$ 1.15	$ 1.10	########
1	48 ga met ı	45, 49, 53	2000	414.800	$ 1.80	$ 1.26	$ 1.40	########
1	92 ga matt	45"	2000	414.800	$ 2.40	$ 1.80	$ 2.10	########
2	60 ga met I	37"	5000	1,037.000	$ 2.10	$ 1.50	$ 1.75	########
3	HC pet che	3 to 6"	2350	487.390	$ 2.45	$ 1.55	$ 2.10	########
4	48 ga chem	29"	1000	207.400	$ 2.30	$ 1.15	$ 1.50	########
5	92 ga plain	48"	3500	725.900	$ 1.90	$ 1.25	$ 1.25	########
6	2 mil plain	12"	1200	248.880	$ 2.70	$ 1.12	$ 1.25	########
7	pvdc pet	30" to 45"	1800	373.320	$ 2.45	$ 1.95	$ 1.95	########
8	pvdc pet	30" to 45"	6500	1,348.100	$ 2.45	$ 1.95	$ 1.95	########
8	48 ga coror	27" to 48"	2000	414.800	$ 1.65	$ 1.15	$ 1.10	########
9	142 ga plai	7" to 15"	6000	1,244.400	$ 1.95	$ 1.00	$ 1.25	########
9	200 ga HC ı	7" to 15"	500	103.700	$ 2.90	$ 1.55	$ 2.10	########
10	5 mil HC ch	4" to 12"	100	20.740	$ 2.45	$ 1.55	$ 2.10	$ 245.00
11	pvdc pet	30" to 45"	2000	414.800	$ 2.45	$ 1.95	$ 1.95	########
11	48 ga met ı	30" to 45"	4000	829.600	$ 1.80	$ 1.26	$ 1.40	########
11	48 ga coror	30" to 45"	5000	1,037.000	$ 1.55	$ 1.15	$ 1.10	########
12	48 ga coror	60"	500	103.700	$ 1.80	$ 1.15	$ 1.10	$ 900.00
13	92 ga plain	29.625"	1500	311.100	$ 1.70	$ 1.15	$ 1.25	########
14	200 ga plai	3 375"	5000	1,037.000	$ 1.60	$ 1.20	$ 1.25	########
14	142 ga plai	3.375"	2000	414.800	$ 1.60	$ 1.00	$ 1.25	########
14	92 ga met ı	3.375"	1000	207.400	$ 2.25	$ 1.75	$ 1.65	########
15	48 ga coror	19" to 52"	1000	207.400	$ 1.70	$ 1.15	$ 1.10	########
15	48 ga met ı	19" to 52"	1000	207.400	$ 1.95	$ 1.26	$ 1.40	########
16	92 ga HC pl	61"	3000	622.200	$ 1.45	$ 1 15	$ 2.25	########
17	48 ga coror	25" to 47"	2500	518.500	$ 1.65	$ 1.15	$ 1.10	########
18	48 ga plain	2.5" to 3.3	10000	2,074.000	$ 1.55	$ 0.85	$ 1.10	########
18	48 ga met ı	3.375"	5000	1,037.000	$ 1.80	$ 1.00	$ 1.40	########
19	500 ga HC ı	40"	200	41.480	$ 2.15	$ 1.55	$ 1.85	$ 430.00
20	48 ga plain	1.75" to 2.5	20000	4,148.000	$ 1.45	$ 0.85	$ 1.10	########
20	48 ga met ı	2.5"	5000	1,037.000	$ 1.55	$ 1.00	$ 1.40	########
21	48 ga coror	30" to 48"	2000	414.800	$ 1 70	$ 1.15	$ 1.10	########
21	48 ga met ı	30" to 48"	1000	207.400	$ 1 95	$ 1.26	$ 1.40	########
22	48 ga plain	2" to 2 375	7500	1,555.500	$ 1.50	$ 0.85	$ 1.10	########
22	.00035 bar	3.5"	5000	1,037.000	$ 2.45	$ 1.95	$ 1.95	########
22	Pet / foil La	1.75" to 2"	15000	3,111.000	$ 2.25	$ 1.90	$ 1.90	########
23	142 ga plai	29", 34"	1000	207.400	$ 2.05	$ 1.00	$ 1.25	########
24	92 ga plain	45"	500	103.700	$ 2.10	$ 1.25	$ 1.25	########
25	2 mil HC.	61"	2500	518.500	$ 2.05	$ 1.65	$ 2.10	########
25	142 ga HC ı	7" to 15"	500	103.700	$ 2 25	$ 1.55	$ 2.10	########
26	92/200 ga ı	.5" to 2"	600	124.440	$ 5 50	$ 1.85	$ 1.85	########
27	75 ga met ı	37"	2500	518.500	$ 1.75	$ 1.30	$ 1.65	########
28	142 ga plai	17" to 35"	1500	311.100	$ 2.20	$ 1.00	$ 1.25	########
28	92 ga plain	17" to 35"	500	103.700	$ 2 20	$ 1.20	$ 1.25	########
29	48 ga met ı	50", 62"	1200	248.880	$ 3.00	$ 1.20	$ 1.40	########
30	48 ga plain	2.5"	250	51.850	$ 1 60	$ 0.90	$ 1.10	$ 400.00

31	pvdc pet 28" to 55"	4200	871,080	$ 2.40	$ 1.95	$ 1.95	#######	
32	48 ga met ¡ 29" to 55"	500	103,700	$ 1.75	$ 1.26	$ 1.40	$ 875.00	
33	48 ga coror 14" to 26"	500	103,700	$ 1.80	$ 1.15	$ 1.10	$ 900.00	
34	48 ga plain 17" to 21"	4000	829,600	$ 1.75	$ 0.90	$ 1.10	#######	
35	48 ga cherr 40.5"	1500	311,100	$ 2.20	$ 1.15	$ 1.50	#######	
36	92 ga cherr 40.5"	1000	207,400	$ 2.20	$ 1.15	$ 1.50	#######	
37	2 mil plain 26"	5000	1,037,000	$ 1.10	$ 0.35	$ 1.25	#######	
38	48 ga coror 31"	500	103,700	$ 1.60	$ 1.15	$ 1.10	$ 800.00	
39	48 ga met ¡ 9" to 32"	500	103,700	$ 2.15	$ 1.00	$ 1.40	#######	
39	4 mil HC ch 9" to 32"	200	41,480	$ 2.55	$ 1.55	$ 2.10	$ 510.00	
39	10 mil HC c 9" to 32"	200	41,480	$ 2.55	$ 1.55	$ 2.10	$ 510.00	
40	48 ga coror 27" to 54"	2000	414,800	$ 1.60	$ 1.15	$ 1.10	#######	
40	48 ga met ¡ 27" to 54"	1000	207,400	$ 1.75	$ 1.26	$ 1.40	#######	
40	pvdc pet 27" to 54"	1000	207,400	$ 2.40	$ 1.95	$ 1.95	#######	
41	pvdc pet 56"	300	62,220	$ 2.45	$ 1.95	$ 1.95	$ 735.00	
41	142 ga chei 56"	500	103,700	$ 2.50	$ 1.55	$ 2.10	#######	
42	92 ga silico 25"	5000	1,037,000	$ 1.85	$ 1.12	$ 1.12	#######	
43	48 ga coror 56" to 61"	1000	207,400	$ 1.80	$ 1.15	$ 1.10	#######	
43	92 ga coror 56" to 61"	500	103,700	$ 2.00	$ 1.40	$ 1.25	#######	
44	48 ga plain 2.25"	2000	414,800	$ 2.05	$ 0.90	$ 1.10	#######	
45	200 ga HC (5.75"	5000	1,037,000	$ 2.20	$ 1.55	$ 2.10	#######	
45	92 ga coror 56" to 60"	2000	414,800	$ 1.75	$ 1.40	$ 1.25	#######	
45	2 mil HC ch 56" to 60"	2000	414,800	$ 2.12	$ 1.55	$ 2.10	#######	
47	142 ga pet 14"	4000	829,600	$ 1.75	$ 1.15	$ 1.25	#######	
48	142 ga HC (7" to 17"	10000	2,074,000	$ 2.08	$ 1.65	$ 2.10	#######	
49	48 ga met ¡ 3.375"	5000	1,037,000	$ 1.60	$ 1.00	$ 1.40	#######	
		205600	########				#######	

Prospects:

1	2 mil plain 4.75"	85000	########	$ 1.95	$ 1.20		#######
2	48 ga met . 43" to 73"	40000	########	$ 1.85	$ 1.30		#######
2	92 ga coro 43" to 73"	20000	########	$ 1.65	$ 1.15		#######
2	48 ga met (43" to 73"	30000	########	$ 1.95	$ 1.46		#######
3	2 mil plain 6 5"	40000	########	$ 1.95	$ 1.20		#######
4	48 ga plain 2" to 3.375	30000	########	$ 1.48	$ 0.85		#######
4	48 ga met ¡ 2" to 3.375	10000	########	$ 1.75	$ 1.00		#######
5	48 ga plain 2" to 3.375	10000	########	$ 1.55	$ 0 85		#######
5	48 ga met ¡ 2" to 3.375	3000	3,000.000	$ 1.75	$ 1.00		#######
6	75 ga coror 11" to 22"	5000	5,000.000	$ 1.65	$ 1 20		#######
6	75 ga BOPF 11" to 22"	10000	########	$ 1.60	$ 1.15		#######
7	120 ga 2 sic 4" to 11"	10000	########	$ 2.75	$ 2 35		#######
8	.25 optical 6" to 7"	1500	1,500.000	$ 1.95	$ 1.30		#######
9	36 ga met ¡ 31"	20000	########	$ 1.85	$ 1.30		#######
10	48 ga met ¡ 4", 5", 6"	30000	########	$ 1.70	$ 1.30		#######
11	48 ga met ¡ 41" to 49"	40000	########	$ 1.85	$ 1 30		#######

12	92 ga coror	57"	80000	########	$ 1.50	$ 1.20	########
12	200 ga cor	57"	40000	########	$ 1.50	$ 1.20	########
13	3 mil high	3" to 6"	500	500.000	$ 2.45	$ 1.65	########
14	HC PET 92,	3" to 7"	5000	5,000.000	$ 2.45	$ 1.65	########
15	2 mil plain	50"	40000	########	$ 1.58	$ 1.20	########
16	48 ga plain	1.75" to 3"	7000	7,000.000	$ 1.55	$ 0.85	########
16	48 ga met	1.75" to 3"	2000	2,000.000	$ 1.80	$ 1.00	########
17	48 ga plain	2"	5000	########	$ 1.35	$ 0.85	########
18	48 ga coror	26" to 50"	3000	3,000.000	$ 1.60	$ 1.15	########
19	48 ga plain	1.625" to 6	10000	########	$ 1.45	$ 0.90	########
19	48 ga met	2" to 6"	5000	########	$ 1.65	$ 1.00	########
20	48 ga coror	50"	1000	3,000.000	$ 1.60	$ 1.25	########
21	48 ga plain	2", 2.25" 2.	10000	########	$ 1.35	$ 0.85	########
22	foil / pet la	1.5", 1.75"	15000	########	$ 2.20	$ 1.86	########
23	met BOPP	31"	3000	3,000.000	$ 1.88	$ 1.50	########
24	48 ga coror	30" to 48"	2000	2,000.000	$ 1.70	$ 1.15	########
24	48 ga met	30" to 48"	1000	1,000.000	$ 1.85	$ 1.30	########
24	pvdc pet	30" to 48"	2000	2,000.000	$ 2.45	$ 1.95	########
25	120 ga bop	3" to 7"	10000	########	$ 1.75	$ 1.20	########
26	48 ga coror	30" to 40"	3000	3,000 000	$ 1.63	$ 1.15	########
26	48 ga met	30" to 40"	3000	3,000.000	$ 2.25	$ 1.46	########
27	80 ga BOPF	7" to 11"	100000	########	$ 1.40	$ 1.05	########
			732000	########			########

budget fil	MARGIN	
#######	$ 0.35	$ 285.20
#######	$ 0.40	$ 385.20
#######	$ 0.30	$ 185.20
#######	$ 0.35	$ 713.00
#######	$ 0.35	$ 335.11
#######	$ 0.80	$ 592.60
#######	$ 0.65	#######
#######	$ 1.45	#######
#######	$ 0.50	$ 526.68
#######	$ 0.50	#######
#######	$ 0.55	$ 685.20
#######	$ 0.70	#######
#######	$ 0.80	$ 296.30
$ 210.00	$ 0.35	$ 14.26
#######	$ 0.50	$ 585.20
#######	$ 0.40	$ 770.40
#######	$ 0.45	#######
$ 550.00	$ 0.70	$ 246.30
#######	$ 0.45	$ 363.90
#######	$ 0.35	$ 713.00
#######	$ 0.35	$ 285.20
#######	$ 0.60	$ 392.60
#######	$ 0.60	$ 392.60
#######	$ 0.55	$ 342.60
#######	$ (0.80)	#######
#######	$ 0.55	$ 856.50
#######	$ 0.45	#######
#######	$ 0.40	$ 963.00
$ 370.00	$ 0.30	$ 18.52
#######	$ 0.35	#######
#######	$ 0.15	$ (287.00)
#######	$ 0.60	$ 785.20
#######	$ 0.55	$ 342.60
#######	$ 0.40	#######
#######	$ 0.50	#######
#######	$ 0.35	#######
#######	$ 0.80	$ 592.60
$ 625 00	$ 0.85	$ 321.30
#######	$ (0.05)	$ (643 50)
#######	$ 0.15	$ (28.70)
#######	$ 3.65	#######
#######	$ 0.10	$ (268.50)
#######	$ 0.95	#######
$ 625.00	$ 0.95	$ 371.30
#######	$ 1.60	#######
$ 275.00	$ 0 50	$ 73.15

#######	$ 0.45	#######	
$ 700.00	$ 0.35	$ 71.30	
$ 550.00	$ 0.70	$ 246.30	
#######	$ 0 65	#######	
#######	$ 0.70	$ 738.90	
#######	$ 0.70	$ 492.60	
#######	$ (0.15)	#######	
$ 550.00	$ 0.50	$ 146.30	
$ 700.00	$ 0.75	$ 271.30	
$ 420.00	$ 0.45	$ 48.52	
$ 420.00	$ 0.45	$ 48.52	
#######	$ 0.50	$ 585.20	
#######	$ 0.35	$ 142.60	
#######	$ 0.45	$ 242.60	
$ 585.00	$ 0.50	$ 87.78	
#######	$ 0.40	$ 96.30	
#######	$ 0.73	#######	
#######	$ 0.70	$ 492.60	
$ 625.00	$ 0.75	$ 271.30	
#######	$ 0.95	#######	
#######	$ 0 10	$(537.00)	
#######	$ 0.50	$ 585.20	
#######	$ 0.02	$(374.80)	
#######	$ 0.50	#######	
#######	$ (0.02)	#######	
#######	$ 0.20	$ (37.00)	
		$ -	
#######		#######	10%

#######	$ 0.75	#######	
#######	$ 0.55	#######	
#######	$ 0.50	#######	
#######	$ 0.49	#######	
#######	$ 0.75	#######	
#######	$ 0.63	#######	
#######	$ 0.75	#######	
#######	$ 0.70	#######	
#######	$ 0.75	#######	
#######	$ 0.45	#######	
#######	$ 0 45	#######	
#######	$ 0.40	#######	
#######	$ 0.65	$ 975.00	
#######	$ 0.55	#######	
#######	$ 0.40	#######	
#######	$ 0.55	#######	

#######	$	0.30	#######
#######	$	0.30	#######
$ 825.00	$	0.80	$ 400.00
#######	$	0.80	#######
#######	$	0.38	#######
#######	$	0.70	#######
#######	$	0.80	#######
#######	$	0.50	#######
#######	$	0.45	#######
#######	$	0.55	#######
#######	$	0.65	#######
#######	$	0.35	$ 350.00
#######	$	0.50	#######
#######	$	0.34	#######
#######	$	0.38	#######
#######	$	0.55	#######
#######	$	0.55	$ 550.00
#######	$	0.50	#######
#######	$	0.55	#######
#######	$	0.48	#######
#######	$	0.79	#######
#######	$	0.35	#######
#######		#######	32%

Customer	Product	widths	lbs per mo	Total lbs p	Selling pri	Film cost	total budg	budget fil
1	48 ga met	45, 49, 53	2000	5000	$ 1.80	$ 1.26	#######	#######
4	48 ga chem	29"	1000	3000	$ 2.30	$ 1.15	#######	#######
8	48 ga coro	27" to 48"	2000	10000	$ 1.65	$ 1.15	#######	#######
11	48 ga met	30" to 45"	4000	10000	$ 1.80	$ 1.26	#######	#######
11	48 ga coro	30" to 45"	5000	100000	$ 1.55	$ 1.15	#######	#######
12	48 ga coro	60"	500	500	$ 1.80	$ 1.15	$ 900.00	$ 575.00
15	48 ga coro	19" to 52"	1000	5000	$ 1.70	$ 1.15	#######	#######
15	48 ga met	19" to 52"	1000	3000	$ 1.95	$ 1.26	#######	#######
17	48 ga coro	25" to 47"	2500	10000	$ 1.65	$ 1.15	#######	#######
18	48 ga plain	2.5" to 3.3	10000	10000	$ 1.55	$ 0.85	#######	#######
18	48 ga met	3.375"	5000	5000	$ 1.80	$ 1.00	#######	#######
20	48 ga plain	1.75" to 2 !	20000	80000	$ 1.45	$ 0.85	#######	#######
20	48 ga met	2.5"	5000	20000	$ 1.55	$ 1.00	#######	#######
21	48 ga coro	30" to 48"	2000	10000	$ 1.70	$ 1.15	#######	#######
21	48 ga met	30" to 48"	1000	3000	$ 1.95	$ 1.26	#######	#######
22	48 ga plain	2" to 2.375	7500	7500	$ 1.50	$ 0.85	#######	#######
29	48 ga met	50", 62"	1200	1200	$ 3.00	$ 1.20	#######	#######
30	48 ga plain	2.5"	250	1000	$ 1.60	$ 0.90	$ 400.00	$ 225.00
32	48 ga met	29" to 55"	500	5000	$ 1.75	$ 1.26	$ 875.00	$ 630.00
33	48 ga coro	14" to 26"	500	2000	$ 1.80	$ 1.15	$ 900.00	$ 575.00
34	48 ga plain	17" to 21"	4000	4000	$ 1.75	$ 0.90	#######	#######
35	48 ga chem	40.5"	1500	1500	$ 2.20	$ 1.15	#######	#######
38	48 ga coro	31"	500	10000	$ 1.60	$ 1.15	$ 800.00	$ 575.00
39	48 ga met	9" to 32"	500	500	$ 2.15	$ 1.00	#######	$ 500.00
40	48 ga coro	27" to 54"	2000	20000	$ 1.60	$ 1.15	#######	#######
40	48 ga met	27" to 54"	1000	5000	$ 1.75	$ 1.26	#######	#######
43	48 ga coro	56" to 61"	1000	3000	$ 1.80	$ 1.15	#######	#######
44	48 ga plain	2.25"	2000	2000	$ 2.05	$ 0.90	#######	#######
49	48 ga met	3.375"	5000	10000	$ 1.60	$ 1.00	#######	#######
			89450	347200			#######	#######
Prospects:								
1	2 mil plain	4.75"	85000	85000	$ 1.95	$ 1.20	#######	#######
2	48 ga met	43" to 73"	40000	80000	$ 1.85	$ 1.30	#######	#######
2	92 ga coro	43" to 73"	20000	30000	$ 1.65	$ 1.15	#######	#######
2	48 ga met	43" to 73"	30000	30000	$ 1.95	$ 1.46	#######	#######
3	2 mil plain	6.5"	40000	120000	$ 1.95	$ 1.20	#######	#######
4	48 ga plain	2" to 3.375	30000	30000	$ 1.48	$ 0.85	#######	#######
4	48 ga met	2" to 3.375	10000	10000	$ 1.75	$ 1.00	#######	#######
5	48 ga plain	2" to 3.375	10000	10000	$ 1.55	$ 0 85	#######	#######
5	48 ga met	2" to 3.375	3000	3000	$ 1.75	$ 1.00	#######	#######
6	75 ga coro	11" to 22"	5000	5000	$ 1.65	$ 1.20	#######	#######
6	75 ga BOPF	11" to 22"	10000	10000	$ 1.60	$ 1.15	#######	#######
7	120 ga 2 si	4" to 11"	10000	10000	$ 2.75	$ 2.35	#######	#######

8	.25 optical 6" to 7"	1500	1500	$	1.95	$	1.30	#######	#######
9	36 ga met ¡31"	20000	20000	$	1.85	$	1.30	#######	#######
10	48 ga met ¡4", 5", 6"	30000	30000	$	1.70	$	1.30	#######	#######
11	48 ga met ¡41" to 49"	40000	40000	$	1.85	$	1.30	#######	#######
12	92 ga coror 57"	80000	80000	$	1.50	$	1.20	#######	#######
12	200 ga corc 57"	40000	40000	$	1.50	$	1.20	#######	#######
13	3 mil high c 3" to 6"	500	500	$	2.45	$	1.65	#######	$ 825.00
14	HC PET 92, 3" to 7"	5000	5000	$	2.45	$	1.65	#######	#######
15	2 mil plain 50"	40000	40000	$	1.58	$	1.20	#######	#######
16	48 ga plain 1.75" to 3"	7000	7000	$	1.55	$	0.85	#######	#######
16	48 ga met ¡1.75" to 3"	2000	2000	$	1.80	$	1.00	#######	#######
17	48 ga plain 2"	5000	15000	$	1.35	$	0.85	#######	#######
18	48 ga coror 26" to 50"	3000	3000	$	1 60	$	1.15	#######	#######
19	48 ga plain 1.625" to 6	10000	80000	$	1.45	$	0.90	#######	#######
19	48 ga met ¡2" to 6"	5000	20000	$	1.65	$	1.00	#######	#######
20	48 ga coror 50"	1000	3000	$	1.60	$	1.25	#######	#######
21	48 ga plain 2", 2.25" 2.	10000	10000	$	1 35	$	0.85	#######	#######
22	foil / pet la 1.5", 1.75"	15000	15000	$	2.20	$	1.86	#######	#######
23	met BOPP 31"	3000	3000	$	1.88	$	1.50	#######	#######
24	48 ga coror 30" to 48"	2000	2000	$	1 70	$	1.15	#######	#######
24	48 ga met ¡30" to 48"	1000	1000	$	1.85	$	1.30	#######	#######
24	pvdc pet 30" to 48"	2000	2000	$	2.45	$	1.95	#######	#######
25	120 ga bop 3" to 7"	10000	10000	$	1.75	$	1.20	#######	#######
26	48 ga coror 30" to 40"	3000	3000	$	1.63	$	1.15	#######	#######
26	48 ga met ¡30" to 40"	3000	3000	$	2.25	$	1.46	#######	#######
27	80 ga BOPF 7" to 11"	100000	100000	$	1 40	$	1.05	#######	#######
		732000	959000					#######	#######

Raw mat r	gross material margin
$ 0.54	#######
$ 1.15	#######
$ 0 50	#######
$ 0.54	#######
$ 0.40	#######
$ 0 65	$ 325 00
$ 0.55	$ 550.00
$ 0.69	$ 690.00
$ 0.50	#######
$ 0.70	#######
$ 0.80	#######
$ 0.60	#######
$ 0.55	#######
$ 0.55	#######
$ 0.69	$ 690.00
$ 0.65	#######
$ 1.80	#######
$ 0 70	$ 175.00
$ 0 49	$ 245.00
$ 0.65	$ 325.00
$ 0 85	#######
$ 1.05	#######
$ 0.45	$ 225.00
$ 1 15	$ 575.00
$ 0.45	$ 900.00
$ 0 49	$ 490.00
$ 0.65	$ 650.00
$ 1.15	#######
$ 0.60	#######
	####### 66%
$ 0.75	#######
$ 0.55	#######
$ 0.50	#######
$ 0.49	#######
$ 0.75	#######
$ 0.63.	#######
$ 0 75	#######
$ 0 70	#######
$ 0.75	#######
$ 0 45	#######
$ 0.45	#######
$ 0.40	#######

$	0.65	$ 975.00
$	0.55	#######
$	0.40	#######
$	0.55	#######
$	0.30	#######
$	0.30	#######
$	0.80	$ 400.00
$	0.80	#######
$	0.38	#######
$	0.70	#######
$	0.80	#######
$	0.50	#######
$	0.45	#######
$	0.55	#######
$	0.65	#######
$	0.35	$ 350.00
$	0.50	#######
$	0.34	#######
$	0.38	#######
$	0.55	#######
$	0.55	$ 550.00
$	0.50	#######
$	0.55	#######
$	0.48	#######
$	0.79	#######
$	0.35	#######
		####### 32%

Customer	Product	widths	lbs per mo	Total lbs p	Selling pri	Film cost	total budg	budget fil
1	92 ga coror	45, 49, 53	2000	10000	$ 1.45	$ 1.15	########	########
1	92 ga matt	45"	2000	4000	$ 2.40	$ 1.80	########	########
2	60 ga met l	37"	5000	5000	$ 2.10	$ 1.50	########	########
3	HC pet che	3 to 6"	2350	2350	$ 2.45	$ 1.55	########	########
5	92 ga plain	48"	3500	3500	$ 1.90	$ 1.25	########	########
6	2 mil plain	12"	1200	1200	$ 2.70	$ 1.12	########	########
7	pvdc pet	30" to 45"	1800	5000	$ 2.45	$ 1.95	########	########
8	pvdc pet	30" to 45"	6500	6500	$ 2.45	$ 1.95	########	########
9	142 ga plai	7" to 15"	6000	10000	$ 1.95	$ 1.00	########	########
9	200 ga HC	7" to 15"	500	500	$ 2.90	$ 1.55	########	$ 775.00
10	5 mil HC ch	4" to 12"	100	100	$ 2.45	$ 1.55	$ 245 00	$ 155.00
11	pvdc pet	30" to 45"	2000	4000	$ 2.45	$ 1.95	########	########
13	92 ga plain	29.625"	1500	1500	$ 1.70	$ 1.15	########	########
14	200 ga plai	3.375"	5000	5000	$ 1.60	$ 1.20	########	########
14	142 ga plai	3.375"	2000	2000	$ 1.60	$ 1.00	########	########
14	92 ga met	3.375"	1000	1000	$ 2.25	$ 1.75	########	########
16	92 ga HC pl	61"	3000	20000	$ 1.45	$ 1.15	########	########
19	500 ga HC	40"	200	5000	$ 2.15	$ 1.55	$ 430.00	$ 310.00
22	.00035 bar	3 5"	5000	5000	$ 2.45	$ 1.95	########	########
22	Pet / foil La	1.75" to 2"	15000	15000	$ 2.25	$ 1.90	########	########
23	142 ga plai	29", 34"	1000	1000	$ 2.05	$ 1.00	########	########
24	92 ga plain	45"	500	2000	$ 2.10	$ 1.25	########	$ 625.00
25	2 mil HC	61"	2500	7000	$ 2.05	$ 1.65	########	########
25	142 ga HC	7" to 15"	500	500	$ 2.25	$ 1.55	########	$ 775.00
26	92/200 ga	.5" to 2"	600	600	$ 5.50	$ 1.85	########	########
27	75 ga met	37"	2500	4000	$ 1.75	$ 1.30	########	########
28	142 ga plai	17" to 35"	1500	1500	$ 2.20	$ 1.00	########	########
28	92 ga plain	17" to 35"	500	500	$ 2.20	$ 1.20	########	$ 600.00
31	pvdc pet	28" to 55"	4200	6000	$ 2.40	$ 1.95	########	########
36	92 ga chem	40.5"	1000	1000	$ 2.20	$ 1.15	########	########
37	2 mil plain	26"	5000	5000	$ 1.10	$ 0.35	########	########
39	4 mil HC ch	9" to 32"	200	200	$ 2.55	$ 1.55	$ 510 00	$ 310 00
39	10 mil HC c	9" to 32"	200	200	$ 2.55	$ 1.55	$ 510.00	$ 310.00
40	pvdc pet	27" to 54"	1000	3000	$ 2.40	$ 1.95	########	########
41	pvdc pet	56"	300	300	$ 2.45	$ 1.95	$ 735.00	$ 585.00
41	142 ga che	56"	500	500	$ 2.50	$ 1.55	########	$ 775.00
42	92 ga silico	25"	5000	5000	$ 1.85	$ 1.12	########	########
43	92 ga coro	56" to 61"	500	2000	$ 2.00	$ 1.40	########	$ 700.00
45	200 ga HC	5.75"	5000	5000	$ 2.20	$ 1.55	########	########
45	92 ga coror	56" to 60"	2000	2000	$ 1 75	$ 1.40	########	########
45	2 mil HC ch	56" to 60"	2000	2000	$ 2:12	$ 1.55	########	########
47	142 ga pet	14"	4000	4000	$ 1.75	$ 1.15	########	########
48	142 ga HC	7" to 17"	10000	35000	$ 2.08	$ 1.65	########	########
			116150	194950			########	########

Prospects:

1	2 mil plain 4.75"	85000	85000	$	1.95	$	1.20	#######	#######
2	48 ga met .43" to 73"	40000	80000	$	1.85	$	1.30	#######	#######
2	92 ga coro 43" to 73"	20000	30000	$	1.65	$	1.15	#######	#######
2	48 ga met (43" to 73"	30000	30000	$	1.95	$	1.46	#######	#######
3	2 mil plain 6.5"	40000	120000	$	1.95	$	1.20	#######	#######
4	48 ga plain 2" to 3.375	30000	30000	$	1.48	$	0.85	#######	#######
4	48 ga met ¡ 2" to 3.375	10000	10000	$	1.75	$	1.00	#######	#######
5	48 ga plain 2" to 3.375	10000	10000	$	1.55	$	0.85	#######	#######
5	48 ga met ¡ 2" to 3.375	3000	3000	$	1.75	$	1.00	#######	#######
6	75 ga coror 11" to 22"	5000	5000	$	1.65	$	1.20	#######	#######
6	75 ga BOPF 11" to 22"	10000	10000	$	1.60	$	1.15	#######	#######
7	120 ga 2 si 4" to 11"	10000	10000	$	2.75	$	2.35	#######	#######
8	.25 optical 6" to 7"	1500	1500	$	1.95	$	1.30	#######	#######
9	36 ga met ¡ 31"	20000	20000	$	1.85	$	1.30	#######	#######
10	48 ga met ¡ 4", 5", 6"	30000	30000	$	1.70	$	1.30	#######	#######
11	48 ga met ¡ 41" to 49"	40000	40000	$	1.85	$	1.30	#######	#######
12	92 ga coror 57"	80000	80000	$	1.50	$	1.20	#######	#######
12	200 ga cor(57"	40000	40000	$	1.50	$	1.20	#######	#######
13	3 mil high (3" to 6"	500	500	$	2.45	$	1.65	#######	$ 825.00
14	HC PET 92, 3" to 7"	5000	5000	$	2.45	$	1.65	#######	#######
15	2 mil plain 50"	40000	40000	$	1.58	$	1 20	#######	#######
16	48 ga plain 1.75" to 3"	7000	7000	$	1.55	$	0.85	#######	#######
16	48 ga met ¡ 1.75" to 3"	2000	2000	$	1.80	$	1.00	#######	#######
17	48 ga plain 2"	5000	15000	$	1.35	$	0.85	#######	#######
18	48 ga coror 26" to 50"	3000	3000	$	1.60	$	1.15	#######	#######
19	48 ga plain 1.625" to 6	10000	80000	$	1.45	$	0.90	#######	#######
19	48 ga met ¡ 2" to 6"	5000	20000	$	1.65	$	1.00	#######	#######
20	48 ga coror 50"	1000	3000	$	1.60	$	1.25	#######	#######
21	48 ga plain 2", 2.25" 2.	10000	10000	$	1.35	$	0.85	#######	#######
22	foil / pet la 1.5", 1.75"	15000	15000	$	2.20	$	1.86	#######	#######
23	met BOPP 31"	3000	3000	$	1.88	$	1.50	#######	#######
24	48 ga coror 30" to 48"	2000	2000	$	1.70	$	1.15	#######	#######
24	48 ga met ¡ 30" to 48"	1000	1000	$	1.85	$	1.30	#######	#######
24	pvdc pet 30" to 48"	2000	2000	$	2.45	$	1.95	#######	#######
25	120 ga bop 3" to 7"	10000	10000	$	1.75	$	1.20	#######	#######
26	48 ga coror 30" to 40"	3000	3000	$	1.63	$	1.15	#######	#######
26	48 ga met ¡ 30" to 40"	3000	3000	$	2.25	$	1.46	#######	#######
27	80 ga BOPF 7" to 11"	100000	100000	$	1.40	$	1.05	#######	#######
		732000	959000					#######	#######

Raw mat r	gross material margin
$ 0.30	$ 600.00
$ 0.60	#######
$ 0.60	#######
$ 0.90	#######
$ 0.65	#######
$ 1.58	#######
$ 0.50	$ 900.00
$ 0.50	#######
$ 0.95	#######
$ 1.35	$ 675.00
$ 0.90	$ 90.00
$ 0.50	#######
$ 0.55	$ 825.00
$ 0.40	#######
$ 0.60	#######
$ 0.50	$ 500.00
$ 0.30	$ 900.00
$ 0.60	$ 120.00
$ 0.50	#######
$ 0.35	#######
$ 1.05	#######
$ 0.85	$ 425.00
$ 0.40	#######
$ 0.70	$ 350.00
$ 3.65	#######
$ 0.45	#######
$ 1.20	#######
$ 1.00	$ 500.00
$ 0.45	#######
$ 1.05	#######
$ 0.75	#######
$ 1.00	$ 200.00
$ 1.00	$ 200.00
$ 0.45	$ 450.00
$ 0.50	$ 150.00
$ 0.95	$ 475.00
$ 0.73	#######
$ 0.60	$ 300.00
$ 0.65	#######
$ 0.35	$ 700.00
$ 0.57	#######
$ 0.60	#######
$ 0.43	#######
	####### 40%

$	0.75	#######
$	0 55	#######
$	0.50	#######
$	0.49	#######
$	0.75	#######
$	0.63	#######
$	0.75	#######
$	0.70	#######
$	0.75	#######
$	0.45	#######
$	0.45	#######
$	0.40	#######
$	0.65	$ 975.00
$	0.55	#######
$	0.40	#######
$	0.55	#######
$	0.30	#######
$	0 30	#######
$	0.80	$ 400.00
$	0.80	#######
$	0.38	#######
$	0.70	#######
$	0.80	#######
$	0.50	#######
$	0.45	#######
$	0.55	#######
$	0.65	#######
$	0.35	$ 350.00
$	0.50	#######
$	0 34	#######
$	0.38	#######
$	0.55	#######
$	0.55	$ 550.00
$	0.50	#######
$	0.55	#######
$	0.48	#######
$	0.79	#######
$	0 35	#######
		####### 32%

Customer	Product	widths	lbs per mo	Total lbs p	Selling pri	Film cost	total budg	budget fil
7	pvdc pet	30" to 45"	1800	5000	$ 2.45	$ 1.95	#######	#######
8	pvdc pet	30" to 45"	6500	6500	$ 2.45	$ 1.95	#######	#######
11	pvdc pet	30" to 45"	2000	4000	$ 2.45	$ 1.95	#######	#######
22	.00035 bar	3.5"	5000	5000	$ 2.45	$ 1.95	#######	#######
22	Pet / foil La	1.75" to 2"	15000	15000	$ 2.25	$ 1.90	#######	#######
31	pvdc pet	28" to 55"	4200	6000	$ 2.40	$ 1.95	#######	#######
40	pvdc pet	27" to 54"	1000	3000	$ 2.40	$ 1.95	#######	#######
41	pvdc pet	56"	300	300	$ 2.45	$ 1.95	$ 735.00	$ 585.00
42	92 ga silico	25"	5000	5000	$ 1.85	$ 1.12	#######	#######
			40800	49800			#######	#######
Prospects:								
1	2 mil plain	4.75"	85000	85000	$ 1.95	$ 1.20	#######	#######
2	48 ga met .	43" to 73"	40000	80000	$ 1.85	$ 1.30	#######	#######
2	92 ga coro	43" to 73"	20000	30000	$ 1.65	$ 1.15	#######	#######
2	48 ga met (	43" to 73"	30000	30000	$ 1.95	$ 1.46	#######	#######
3	2 mil plain	6.5"	40000	120000	$ 1.95	$ 1.20	#######	#######
4	48 ga plain	2" to 3.375	30000	30000	$ 1.48	$ 0.85	#######	#######
4	48 ga met	2" to 3.375	10000	10000	$ 1.75	$ 1.00	#######	#######
5	48 ga plain	2" to 3.375	10000	10000	$ 1.55	$ 0.85	#######	#######
5	48 ga met	2" to 3.375	3000	3000	$ 1.75	$ 1.00	#######	#######
6	75 ga coro	11" to 22"	5000	5000	$ 1.65	$ 1.20	#######	#######
6	75 ga BOPF	11" to 22"	10000	10000	$ 1.60	$ 1.15	#######	#######
7	120 ga 2 si	4" to 11"	10000	10000	$ 2.75	$ 2.35	#######	#######
8	.25 optical	6" to 7"	1500	1500	$ 1.95	$ 1.30	#######	#######
9	36 ga met	31"	20000	20000	$ 1.85	$ 1.30	#######	#######
10	48 ga met	4", 5", 6"	30000	30000	$ 1.70	$ 1.30	#######	#######
11	48 ga met	41" to 49"	40000	40000	$ 1.85	$ 1.30	#######	#######
12	92 ga coro	57"	80000	80000	$ 1.50	$ 1.20	#######	#######
12	200 ga cor	57"	40000	40000	$ 1.50	$ 1.20	#######	#######
13	3 mil high c	3" to 6"	500	500	$ 2.45	$ 1.65	#######	$ 825 00
14	HC PET 92,	3" to 7"	5000	5000	$ 2.45	$ 1 65	#######	#######
15	2 mil plain	50"	40000	40000	$ 1.58	$ 1.20	#######	#######
16	48 ga plain	1.75" to 3"	7000	7000	$ 1.55	$ 0.85	#######	#######
16	48 ga met	1.75" to 3"	2000	2000	$ 1.80	$ 1.00	#######	#######
17	48 ga plain	2"	5000	15000	$ 1.35	$ 0.85	#######	#######
18	48 ga coro	26" to 50"	3000	3000	$ 1.60	$ 1.15	#######	#######
19	48 ga plain	1 625" to 6	10000	80000	$ 1.45	$ 0.90	#######	#######
19	48 ga met	2" to 6"	5000	20000	$ 1.65	$ 1.00	#######	#######
20	48 ga coro	50"	1000	3000	$ 1.60	$ 1.25	#######	#######
21	48 ga plain	2", 2.25" 2.	10000	10000	$ 1.35	$ 0 85	#######	#######
22	foil / pet la	1.5", 1.75"	15000	15000	$ 2.20	$ 1.86	#######	#######
23	met BOPP	31"	3000	3000	$ 1.88	$ 1.50	#######	#######
24	48 ga coro	30" to 48"	2000	2000	$ 1.70	$ 1.15	#######	#######

24	48 ga met ı	30" to 48"	1000	1000	$ 1.85	$ 1.30	#######	#######
24	pvdc pet	30" to 48"	2000	2000	$ 2.45	$ 1 95	#######	#######
25	120 ga bop	3" to 7"	10000	10000	$ 1.75	$ 1.20	#######	#######
26	48 ga coro	30" to 40"	3000	3000	$ 1.63	$ 1.15	#######	#######
26	48 ga met ı	30" to 40"	3000	3000	$ 2.25	$ 1.46	#######	#######
27	80 ga BOPF	7" to 11"	100000	100000	$ 1.40	$ 1.05	#######	#######
			732000	959000			#######	#######

Raw mat r	gross material margin	
$ 0.50	$ 900.00	
$ 0.50	#######	
$ 0.50	#######	
$ 0.50	#######	
$ 0.35	#######	
$ 0.45	#######	
$ 0.45	$ 450 00	
$ 0.50	$ 150.00	
$ 0.73	#######	
	#######	26%
$ 0.75	#######	
$ 0.55	#######	
$ 0.50	#######	
$ 0.49	#######	
$ 0.75	#######	
$ 0.63	#######	
$ 0.75	#######	
$ 0.70	#######	
$ 0.75	#######	
$ 0 45	#######	
$ 0.45	#######	
$ 0 40	#######	
$ 0 65	$ 975.00	
$ 0.55	#######	
$ 0 40	#######	
$ 0.55	#######	
$ 0 30	#######	
$ 0 30	#######	
$ 0.80	$ 400.00	
$ 0 80	#######	
$ 0 38	#######	
$ 0.70	#######	
$ 0 80	#######	
$ 0.50	#######	
$ 0.45	#######	
$ 0 55	#######	
$ 0 65	#######	
$ 0.35	$ 350.00	
$ 0 50	#######	
$ 0 34	#######	
$ 0.38	#######	
$ 0 55	#######	

$	0.55	$ 550.00
$	0.50	#######
$	0.55	#######
$	0.48	#######
$	0.79	#######
$	0.35	#######
		####### 32%

1924 Barnwell Street
Columbia, SC 29201

Computer Forensics Lab

Case: NEX-CCC-2012FEB02
DATE: February 02, 2012
ANALYST: Kenny McLean

Synopsis

The Computer Forensics Lab has been hired by William Floyd, Attorney with Nexsen Pruet (Client) to analyze two computer hard drives for media content.

Client request that we locate and recover the following items from computer media:

1. Document Email accounts, documents.
2. Search by keywords to be provided.
3. Document activity after Jan 17, 2012. Focus on user activity as relates to deletion of files, email and other business data.
4. Document activity prior to and inclusive Jan 17, 2012.
5. Recover business documents from both devices.
6. DV7 had a backup solution connected using an external Hard Drive and software. IT support installed a Seagate solution, but user may have installed a secondary solution.

Conclusions / Analysis

Signed:

-End of Section-

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Computer Forensics Lab

Methods / Log

1) A forensic image of the hard drive in the Acer Mini Laptop provided by the Client is created and the original media is returned to the laptop. The laptop is in working condition.
2) A forensic image of the hard drive in the HP dv7 Laptop provided by the Client is created and the original media is returned to the laptop. The laptop is in working condition.
3) I have opened a case using licensed software X-Ways Forensics[1] (XWF) and the case name stated above.
4) The forensic image of the client hard drive from the Acer Mini (HD1) is loaded into case file created above. This forensic image was created by this lab on 2012FEB03 and is documented separately. The hash of the image is confirmed MD5 38026B10267A13480C70260A92BF5D00 (See exhibit A).
5) The forensic image of the original client hard drive from the Sony VIAO (HD2) is loaded into case file created above. This forensic image was created by this lab on 2012FEB03 and is documented separately. The hash of the image is confirmed MD5 E5E4F0A1BE3A637C8EED22CF8DE300AA (See exhibit B).
6) HD1 has two partitions. Partition 2 is the Windows partition (C: drive) and formatted as NTFS. This investigation will be confined to Partition 2 since that is the active storage area for the user (hereafter referred to as HD1P2).
7) HD2 has five partitions. Partition 3 is the Windows partition (C: drive) and formatted as NTFS. This investigation will be confined to Partition 3 since that is the active storage area for the user (hereafter referred to as HD2P3).
8) I refined the working images to search for deleted files and create HASH values for each file. These files are matched to NSRL[2] hash set 2.32 dated 2011MAR and hash set 2.33 dated 2011AUG and hash set 2.34 dated 2011DEC.
9) All metadata from files is retrieved.
10) All slack space[3] is reviewed and file remnants are retrieved.
11) All partitions are refined for email content. File HD2P3 dave@ccc-films.com.pst is corrupt or encrypted and will require separate analysis.
12) HD1P2 now contains 384,285 files.
13) HD2P3 now contains 2,437,193 files.
14) Files matching the NSRL 2.32, 2.33 and 2.34 signatures are excluded from review.
    a. HD1P1 contains 92 matches.
    b. HD1P2 contains 61,955 matches.
    c. HD2P1 contains 32 matches.
    d. HD2P2 contains 0 matches.
    e. HD2P3 contains 842,057 matches.
    f. HD2P4 contains 353 matches.
    g. HD2P5 contains 0 matches.

[1] X-Ways Forensics is digital media analysis suite. See http://www.x-ways.com/
[2] NSRL reference set is maintained by the National Institute of Standards and Technology at http://www.nsrl.nist.gov/. The reference set is a collection of known good file published by major software manufacturers
[3] Slack Space is the area of the hard drive of available space where files have been written and subsequently deleted. Remnants of the original file remain as a result of both whole and partial overwrite where whole or partial original files

15) Search terms provided by client are processed (see Exhibit C).
16) Content is filtered by MAC dates after 2012JAN01 0000hrs UTC.
17) Content is filtered to show type documents, spreadsheets and email.
18) HD1P2 has 318,220 hits. Items of note in Windows.edb;
    a. ACT!
    b. iTunes
    c. OneNote
    d. Reference to Cruzer USB attached, mini cruzer
19) HD2P3 has 13,129 hits. Items of note;
    a. Software users\DW\AppData\Roaming\SoftGrid Client
    b. Quickbooks 2010
    c. Recycle Bin
    d. Email from Mark McGarel [mmcgarel@filmtechinc.com]
    e. Reference to Eastern Film Solutions Inc.QBW (QuickBooks company file) found in Carved File SOFTWARE at sector 6B6B824942.
20) Content is filtered by MAC dates after 2012JAN18 0000hrs UTC.
21) HD1P2 shows 318,217 hits to search terms. This would indicate most files are same as prior filter.
22) HD1P2 is filtered by MAC dates after 2012JAN18 0000hrs UTC and by file types documents and spreadsheets. There are 3,043 files.
23) Most files have create dates well before year 2012, but show an accessed date after 2012JAN18. These files appear to have been deleted to the recycle bin on 2012JAN18 through 2012JAN31.
24) HD2P3 is filtered by MAC dates after 2012JAN18 0000hrs UTC and by file types documents and spreadsheets. There are 1,275 files.
25) Most files have create date well before year 2012, but show an access date after 2012JAN18. Some files are user profile based data files that are in the recycle bin.
26) Added new search term MARK MCGAREL and MMCGAREL@FILMTECHINC.COM to search list and processed.
27) HD1P2 is filtered by search results above. I found a sector (23139600) located in the pagefile.sys that contains an email remnant sent from DAVEWILSONSR@CHARTER.NET to MARK MCGAREL. This sector of data appears to have been partially overwritten, but does contain references to company financial data. It is not known if this was sent (See Exhibit D). The time appears to 0634hrs but no date is retained. Reference to 2011DEC31 financial data would indicate that the creation date is post 2011DEC31.
28) HD2P3 is filtered by search results above. There exist 90 search hits. All related hits are of type email. All appear to be normal business related emails except one. The 89 business emails are sent from DAVE@CCC-FILMS.COM and are dated 2012JAN12 and earlier.
29) The one email exception appears to be a forwarded message sent from DAVE@CCC-FILMS.COM to DAVEWILSON@EASTERNFILMS.NET and received on 2012JAN13 1418hrs UTC. The message body indicates the email was sent to Dave Wilson from mmcgarel@filmtechinc.com on 2012JAN13 0934hrs (See Exhibit E).
30) Added new search term ERASER to search list and processed.

31) There are 554 hits on HD1P2. These appear to be related to files installed by Symantec or paint programs.
32) There are 642 hits on HD2P3.
33) Found reference to Eraser software removal logged in directory \CONFIG.MSI[4] and file 2AAAE3D0.RBF. This file has a create date of 2012FEB02 1014.11hrs and a modified date of 2012FEB01 2158.11hrs (See Exhibit F).
34) Found deleted folder ERASER 6 located in folder \USERS\DAVE WILSON\APPDATA\LOCAL. This folder has a create date of 2012FEB01 1001.03hrs and a modified date of 2012FEB02 1018.45hrs. The folder is marked as deleted. This folder contains a single deleted file named TASK LIST.ERSX with a create date 2012FEB01 1001.47hrs. The file appears to contain dialog information which shows software version 6.0.9.2343 (See Exhibit G).
35) Found deleted folder \Program Files\Eraser with a create date of 2012FEB01 2158.10hrs and a modified date of 2012FEB02 1014.11hrs. This folder contains no files.
36) Found deleted file in free space named ._THUMBS.DB with a create date of 2012FEB02 0946.02hrs. This file contains reference to bootstrap location of \USERS\DAVEWI~1\APPDATA\LOCAL\TEMP\ERASERINSTALLBOOTSTRAPPER\ and an install date of 2012FEB01 (See Exhibit H).
37) Found product manual for software Eraser. See file 2AAAE3DA.RBF (type pdf).
38) Found in registry file \USERS\DAVE WILSON\NTUSER.DAT the registry entry
\SOFTWARE\MICROSOFT\WINDOWS NT\CURRENTVERSION\APPCOMPATFLAGS\COMPATIBILITY ASSISTANT\PERSISTED\C:\USERS\DAVE WILSON\DOWNLOADS\ERASER 6.0.9.2343.EXE
REG_DWORD 4 456476 0 02/01/2012 21:58:15 1.
39) Found in registry file \USERS\DAVE WILSON\NTUSER.DAT the registry entry referencing the execution of software J:\SAFEITEMAILSHREDDER.EXE last executed 2012JAN23 1642.15hrs.
40) Found in registry file \USERS\DAVE WILSON\NTUSER.DAT the registry entry referencing execution of software \PC RECOVERY\FILERESTORE PROFESSIONAL\FILE RESTORE.EXE last executed 2012FEB01 0937.46 and showing a run count of 5.
41) Found in registry file \USERS\DAVE WILSON\NTUSER.DAT the registry entry referencing execution of software {1AC14E77-02E7-4E5D-B744-2EB1AE5198B7}\CIPHER.EXE last executed 2012JAN30 1935.27hrs and showing a run count of 1.
42) Found in registry file \USERS\DAVE WILSON\NTUSER.DAT the registry entry referencing execution of software {6D809377-6AF0-444B-8957-A3773F02200E}\ERASER\ERASER.EXE last executed 2012FEB02 1006.16hrs and showing a run count of 16.
43) Found in registry file \USERS\DAVE WILSON\NTUSER.DAT the registry entry referencing execution of software J:\ERASER 6.0.9.2343.EXE last executed 2012FEB01 2157.25hrs and showing a run count of 1. This is the setup program for the Eraser software.
44) Computer DV7 BIOS time has zero seconds offset from real time measured at collection.
45) HD2P3 registry shows computer placed into service 2010OCT04 1600hrs (See Exhibit I).

[4] The CONFIG.MSI folder is a hidden folder on the root drive of Windows, usually Drive C. The folder is used by the Windows Installer process during an installation of software. It saves files with the extension of .RBS and .RBF. These are Rollback Script Files used by the installer to uninstall recent changes if an install fails somewhere along the way. The rollback script file (.rbs) is always stored in the Config.msi folder on the disk where the operating system is installed. The .rbf files are stored in the Config.msi folder located on the disk where the program that is being installed is currently residing.

46) HD2P3 registry shows Last System Start Time 2012FEB01 2148hrs and Last System Shutdown Time 2012FEB02 1025hrs (See Exhibit I).
47) HD2P3 registry shows 8 external storage devices, including a memory card reader (See Exhibit K).
48) HD2P3 registry shows 3 external devices connected after 2012JAN18;
    a. Western Digital External Passport 575843353037303633323533
    b. San Disk Cruzer 20053045120F42E27BB6&0
    c. Blackberry / SD Storage
49) HD2P3 Registry shows SANDISK CRUZER with Serial # 20053045120F42E27BB6&0 connected as local drive letter J: (See Exhibit L).
50) HD2P3 Registry shows computer user DAVE WILSON has SID ending in 1001. This account shows a Last Login time of 2012FEB02 1026.59hrs (See Exhibit M) indicating a service was triggered using the user privilege during computer shutdown.
51) HD2P3 is filtered for file types PST and OST. There exist 3 PST files. All three are located under directory \USERS\DAVE WILSON\DOCUMENTS\OUTLOOK FILES.
52) HD2P3 contains PST file named DAVE@CCC-FILMS.COM.PST. This file shows a modified date of 2012FEB02 1203.23hrs and is 6.1GB in size. This is a normal naming convention for an Outlook PST file based on an email address. This file is exported and viewed in Outlook 2010. This file contains;

	Folder	Item Cnt	Date Last Item
a.	Inbox	9,084	1/18/2012
b.	Drafts	0	
c.	Sent Items	10,662	1/18/2012
d.	Deleted	0	
e.	Junk Email	0	
f.	Contacts	198	

53) HD2P3 contains PST file named sentccc.pst. This file has a created date of 2012JAN23 1021hrs and a modified date of 2012JAN23 1037hrs and is 1.7GB is size. This is not a normal naming convention for a mailbox file. This file is exported and viewed in Outlook 2010. This file contains;

	Folder	Item Cnt	Date Last Item
a.	Sent Items	17,602	1/18/2012
b	Deleted	0	

54) HD2P3 is filtered by search term .PST and .OST. I found the following references to additional PST/OST files on the volume (See Exhibit N). Files in bold are missing from the volume.
55) HD1P2 contains 6 files found in Free Space that were carved that match the PST file type. These files are exported and loaded into Outlook 2010. The two files that are 100MB will not load into Outlook. The 4 remaining files do not appear to contain any data. These files may be encrypted.
56) The deleted file dave@ccc-films.com.pst is processed for deleted items within the Outlook container file. These are recovered and exported. The exported Inbox contains the same number of Inbox items as the raw .PST recovered from the hard drive. There are some items recovered but client will have to review for relevance.
57) Search for Blackberry Backup files.

58) ON HD1P2 there are 0 files of Blackberry backup files type IPD or BBB.
59) On HD2P3 there are 2 files of Blackberry backup files type IPD or BBB. These are located in directory \USERS\DAVE WILSON\DOCUMENTS and are named;
    a. LoaderBackup-(2011-02-14).ipd Created 2011FEB14 1057hrs
    b. LoaderBackup-(2010-10-22).ipd Created 2010OCT22 1122hrs
60) HD2P3 contains software for RIM Desktop located in default install folders. The last access time of these files is dated 2011APR14 1421hrs.
61) HD2P3 contains reference to folder USER\DAVE WILSON\APPDATA\LOCAL\RESEARCH IN MOTION that has a create date of 2011FEB14 1051HRS and modified date of 2012JAN30 1457HRS. The folder contains no files.
62) Document files created, modified or accessed after 2012JAN18.
63) HD2P3 registry shows WINDOWSBACKUP registry entry contains an entry under BLOCKEDTARGETVOLUMES containing this data;
    VOLUME ID \\?\VOLUME{013C47ED-D013-11DF-89EC-806E6F6E6963}.
64) HD2P3 registry shows LASTRESTOREPOINTSETTIME for Windows Update as 2012JAN21 2211.12hrs.
65) Found file in Recycle Bin named $RQDODT0.LNK. This file shows a create date of 2011SEP01 1142.23hrs. This appears to be a deleted shortcut for program \PROGRAM FILES (X86)\4TEAM CORPORATION\SAFE PST BACKUP\SAFEPSTBACKUP.EXE and references DAVEWILSON (See Exhibit Z).
66) Investigate file SOFTWARE
67) Investigate EDB file

-- End of Section --

FACTS

1. The Acer mini laptop computer
    a. Model is ACER ASPIRE D150-1322.
    b. Serial number is LUS570B1569161A37F1601.
    c. HD HASH MD5 38026B10267A13480C70260A92BF5D00.
    d. This computer OS is Windows.
    e. Computer BIOS time at collection had real time offset of ZERO SECONDS.
    f.
2. The HP DV7 computer
    a. Model is HP DV7-4083CL.
    b. Serial number is CNF03713M5.
    c. HD HASH MD5 E5E4F0A1BE3A637C8EED22CF8DE300AA.
    d. This computer OS is Windows.
    e. Computer name is DAVEWILSON-PC.
    f. Put in service 2010OCT04 1600HRS.
    g. Machine Time Zone is UTC -0500 BOGOTA, LIMA, QUITO.
    h. Computer last Start Time is 2012FEB01 2148.29HRS.
    i. Computer last shutdown is 2012FEB02 1025.30HRS.
    j. Computer BIOS time at collection had real time offset of ZERO SECONDS.

k. User account for DAVE WILSON has SID ending in 1001.
l.

3. Blackberry Bold cellular device
   a. Model BOLD 322DD140.
   B. Serial A000001CF5F1CA.
4. Software ERASER V6.0.9.2343 was downloaded and installed into C:\USERS\DAVE WILSON\DOWNLOADS\ and program was installed into C:\PROGRAM FILES\ERASER\ERASER.EXE.
5.

-- End of Section --

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Exhibit A – Hard Drive Details for Acer Mini (HDD)

02/03/2012, 14:48:31 X-Ways Forensics 16.3

Computer: LAB.cdscorp.com
Examiner: Kenny McLean
Internal description: Acer Aspire One mini Laptop

Source: Hard disk 8
Sectors 0-312581807
Destination: D:\CFL\Media\NEX-CCC-2012FEB02\Acer-Hitachi HTS543216L9SA00.e01
Model: Hitachi HTS543216L9SA00
Serial No.: 090408FB2201VCEM5AGA
Firmware Rev.: FB2OC40C
Bus: ATA

Total capacity: 160,041,885,696 bytes = 149 GB

Bytes per sector: 512
Sector count: 312,581,808
Windows disk signature: D2107A38
Unpartitionable space: 3,760 Sectors
SMART health status: OK
Start count: 1546542172
Power on time: 4219721867
Reallocated sector count: 13
Partitioning style: MBR

Partition 1
Sectors 63 - 12,594,959
Partition table: Sector 0
File system: NTFS
Name: PQSERVICE
Total capacity: 6,448,587,264 bytes = 6.0 GB
Sector count: 12,594,897
Bytes per sector: 512
Bytes per cluster: 4,096
Free clusters: 145,292 = 9% free
Total clusters: 1,574,362
NTFS version: 3.1
Volume flags: 0x0000

Partition 2
Sectors 12,595,200 - 312,578,047
Partition table: Sector 0
File system: NTFS
Name: ACER
Total capacity: 153,591,218,176 bytes = 143 GB
Sector count: 299,982,848
Bytes per sector: 512
Bytes per cluster: 4,096
Free clusters: 30,042,834 = 80% free
Total clusters: 37,497,855
NTFS version: 3.1
Volume flags: 0x0000
Volume GUID: {FD630CAA-6C79-4A35-B4D6-E111C545A804}

Unused inter-partition space:
Sectors 0 - 62 (31.5 KB)
Sectors 12,594,960 - 12,595,199 (120 KB)
Sectors 312,578,048 - 312,581,807 (1.8 MB)
= 2.0 MB

Hash of source data: 38026B10267A13480C70260A928F5D00 (MD5)

02/03/2012, 15:38:45.6
Image consisting of 52 segment(s).
Compression ratio: 31%

SMART health status: OK
Start count: 1546542172
Power on time: 4219721867
Reallocated sector count: 63544

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Exhibit B – Hard Drive Details for HP DV7 (HD2)

02/03/2012, 12:51:40 X-Ways Forensics 16.3
Computer: LAB.cdscorp.com
Examiner: Kenny McLean
Internal description: HP DV7

Source: Hard disk 8
Sectors 0-976773167
Model: TOSHIBA MK5056GSY
Serial No.: 70QRTVAHT
Firmware Rev.: LH003C
Bus: ATA

Total capacity: 500,107,862,016 bytes = 466 GB

Bytes per sector: 512
Sector count: 976,773,168
Windows disk signature: 41EA23B6
Unpartitionable space: 2,048 Sectors
SMART health status: OK
Start count: 1546542172
Power on time: 4219721867
Reallocated sector count: 13
Partitioning style: MBR

Partition 1
Sectors 2,048 - 409,599
Partition table: Sector 0
File system: NTFS
Name: SYSTEM
Total capacity: 208,666,624 bytes = 199 MB
Sector count: 407,552
Bytes per sector: 512
Bytes per cluster: 4,096
Free clusters: 43,613 = 86% free
Total clusters: 50,943
NTFS version: 3.1
Volume flags: 0x0000

Partition 2, lost
Sectors 2,049 - 409,600
Partition table: Sector 1
File system: NTFS
Total capacity: 208,666,624 bytes = 199 MB
Sector count: 407,552
Bytes per sector: 512
Bytes per cluster: 4,096
Free clusters: 0 = 0% free
Total clusters: 116,048,383

Partition 3
Sectors 409,600 - 928,796,671
Partition table: Sector 0
File system: NTFS
Total capacity: 475,334,180,864 bytes = 443 GB
Sector count: 928,387,072
Bytes per sector: 512
Bytes per cluster: 4,096
Free clusters: 95,945,168 = 83% free
Total clusters: 116,048,383
NTFS version: 3.1
Volume flags: 0x0000
Volume GUID: {92156714-451F-4417-9C8B-26C4269696B2}

Partition 4
Sectors 928,796,672 - 976,560,127
Partition table: Sector 0
File system: NTFS
Name: RECOVERY
Total capacity: 24,454,889,472 bytes = 22.8 GB
Sector count: 47,763,456
Bytes per sector: 512
Bytes per cluster: 4,096
Free clusters: 872,435 = 15% free
Total clusters: 5,970,431
NTFS version: 3.1
Volume flags: 0x0000
Volume GUID: {7DB10562-0CC4-4DCA-814D-C1F785D9F865}

Partition 5
Sectors 976,560,128 - 976,771,119
Partition table: Sector 0
File system: FAT32
Name: HP_TOOLS
Total capacity: 108,027,904 bytes = 103 MB
Sector count: 210,992
Usable sectors: 202,800
First data sector: 8,192
Bytes per sector: 512
Bytes per cluster: 1,024
Free clusters: 85,900 = 85% free
Total clusters: 101,400
FAT1 = FAT2
Volume label date: 08/19/2010 03:01:30
Clean shut down: Yes
I/O error-free: Yes

Unused inter-partition space:
Sectors 0 - 2,047 (1.0 MB)
Sectors 976,771,120 - 976,773,167 (1.0 MB)= 2.0 MB
Hash of source data: E5E4F0A1BE3A637C8EED22CF8DE300AA (MD5)
Image consisting of 219 segment(s).
Compression ratio: 6%
SMART health status: OK
Start count: 1546542172
Power on time: 4219721867
Reallocated sector count: 63544

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Exhibit C – Search Terms

Search Term
\b[(JP)]Lamborn
\bWawona
\brodriguez
\bMascot[,]TN
\bLamTec[(Building Materials)]
\bBill Buckman
BillB@lamtec.com
\bTriton
\bCommis[s]ion
\bDalen
\bProposal
\bAmerifilm
\bAbet Packaging
\bAden Awad
\baden@abet.ca
\bEstes Express
\bSider, Edward Sider and Company
\bE Sider Company
JerryS@esider.com
\bContainer
\bCameron
\bThe Wilson Company
\bHorizon
\bValencia
\bBruce Hotmer
\bFollFlex
\bEastern Film Solutions
\bEFS
\b[(Mike)]Myers
\bPolyasia
\bRogers & Brown
\bWeifang
\bHongrun
\bChina
\bMetallized
\bVacuum Depositing
\bVDI
slynch@vdi-llc.com
mkrafka@vdi-llc.com
\bOutsourced Slitting
\bUnichem
\bMexico
\bJulian Crawford
\bFilmTech
\bJean Paul
@charter.net
\bElliot Schultz
marty@esainconline.com
jull@esainconline.com
\bDewTex
\bAolus
\bKimberly Casteel
\bKurt Augsburger
Saugie5@msn.com
\bBruce Hotmer

bhotmer@valenciaspecialtyfilms.com
\bLivingston International
\bPepperTreeAir
\bImperial
\bNatasha Mrakuzic
\b85 Commerce Center
\bFresno[,]California
\bSandy Lynch
\bBales
\bI have another customer
\bCollection agency
\bSharing new business
\bWork off the rest
\bSharing the loss
\bLet['us] settle[\w]*the debt
\bConfusion with accounting
\bRFQ
\bPlastic bag
\bWilson International
(800[)-.]754[*.]1918
davewilson@easternfilms.net
(864[)-.]224[-.]5667
419[)- .]791[- .]4765
\bSierra West Warehouse
\bDave[\w]Wilson
\x20u\x20
\x20ERASER\x20
\.pst
\.ost
\x202012[-.]
@bellsouth.net

Exhibit D - - HD1P2 offset 2C22A2142

2C22A2000	¤ " 8 Mark, Â In t
2C22A2020	he attached sheet, you have P&L
2C22A2040	individually from2009, 2010, and
2C22A2060	2011 from quickbooks as well as
2C22A2080	some projected P&LâE™s and a ba
2C22A20A0	lance sheet from dec 31, 2011.Â
2C22A20C0	Let me know if you need anything
2C22A20E0	g else. Â Thank)¾ pÂ
2C22A2100	From: Dave Wilson [mailto:davewi
2C22A2120	lsonsr@charter.netGà 66:34 AM T
2C22A2140	o: Mark McGarel (1Û)µ ö OÕ…èÞ^
2C22A2160	', miœY-NQAôQX\hûÈHÒ¼»ðóRe¨ÛÞ\HÊ
2C22A2180	¹ŸÞH]-Üi]tiž Ä Â5 J6ïÙ I m>`O
2C22A21A0	^£ 6¼Ò|2úœ} oL /&¾·n4ï³ û&ÞzoØÍý
2C22A21C0	¯G^¶ÓÙ– g ø ckc ð ÝÝ ïv}l|šuÊ^íù
2C22A21E0	ıêÑ ve ¤ © €hÞ Þ³Þ œ«Þ ıÞ

Exhibit E -- Mark McGarel email forwarded to EASTERNFILMS.NET account

Received(Date): 13 Jan 2012 14.48:03 -0000
From: Dave Wilson <dave@ccc-films.com>
To: Dave Wilson <davewilson@easternfilms net>
Subject: FW: McGarel- FILMtech
Certification.txt

From: Mark McGarel [mailto:mmcgarel@filmtechinc.com]
Sent: Friday, January 13, 2012 9:34 AM
To: Dave Wilson
Subject: McGarel- FILMtech

Dave; some ideas/Concepts for further discussion about a possible sales agency agreement.
Would you re start Eastern Film Solutions or a new entity? Are there any lingering issues with EFS if you restarted? Conflicts with CCC?
Do you want an exclusivity? By territory? By market?
Would you sell (if you can) the UL listing from Eastern Film Solutions? If you can't sell, we would need to discuss timing and cost to get a UL listing

Can you break out the business sections and the film types needed to service.

Folding Carton – PET/BOPP
Window Bag – BOPP/PET
Flex Duct – PET
Bakery overwrap – BOPP 2 side sealable
Cable wrap - PET
Plastic cutlery - LDPE/BOPP
Toll Slitting - ???
Others - ???

What is the standard lead time for servicing orders?
What is sales price less raw material costs?
What are standard terms of sale?
What is typical order size by market?
What is typical pallet/packaging configurations?
How much stock do we need to have for what level of sales?
What are your expectations for compensation?
What legal repercussions might result from our collaboration?
I'm sure there is more but this should get us started.....

Regards;

Mark McGarel
FILMtech Inc.
865.767.3533 ext 103
www.filmtechinc.com
--
This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean

Exhibit F – File 2aaae3d0.rbf Eraser install record

000010FE0	a Öi] a R E G
000011000	I S T R Y T Y P E L I B E R
000011020	A S E R E R A S E R _ D O C U
000011040	M E N T HKCR { NoRemove * {
000011060	NoRemove shellex { No
000011080	Remove ContextMenuHandlers {
0000110A0	ForceRemove Eraser = s '{B
0000110C0	C9B776A-90D7-4476-A791-79D835F30
0000110E0	650}' } } } NoRemove
000011100	Directory { NoRemove shelle
000011120	x { NoRemove ContextMenuH
000011140	andlers { ForceRemove E
000011160	raser = s '{BC9B776A-90D7-4476-A
000011180	791-79D835F30650}' } NoR
0000111A0	emove DragDropHandlers {
0000111C0	ForceRemove Eraser = s '{BC9B7
0000111E0	76A-90D7-4476-A791-79D835F30650}

Exhibit G - File Task List.ersx

```
000000C00   [Public[KeyToken=b77a5c561934e[2
000000C20   ],[Eraser.Manager.LogEntryCollec
000000C40   tion, Eraser.Manager, Version=6.
000000C60   0.9.2343, Culture=neutral, Publi
000000C80   cKeyToken=3ac89a0351e689b6]]
000000CA0    key value   !Eraser.Manager.Log
000000CC0   EntryCollection   )~Ka@mI`
000000CE0        !Eraser.Manager.LogEntryCol
000000D00   lection     owner list   Eraser.
000000D20   Manager.Logger    ' System.Colle
000000D40   ctions.Generic.List`1[[Eraser.Ma
000000D60   nager.LogEntry, Eraser.Manager,
000000D80   Version=6.0.9.2343, Culture=neut
000000DA0   ral, PublicKeyToken=3ac89a0351e6
000000DC0   89b6]]                ' Syste
000000DE0   m.Collections.Generic.List`1[[Er
```

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Exhibit H -- File ._Thumbs.db

```
000000AC    ?   ?   AuthorizedCDFPrefix%
000000C0    Comments  Secure Data Removal f.
000000E0    or Windows%  Contact%  Display
00000100    Version  7.0.3430%  HelpLink( #
00000120    thttp://bbs.heidi.ie/viewforum.p
00000140    hp?f-30%  HelpTelephone%  Inst
00000160    allDate  20120701%  InstallLoca
00000180    tion%  InstallSource? C:\Users\
000001A0    DAVEWI~1\AppData\Local\Temp\eras
000001C0    erInstallBootstrapper\' '%  Loca
000001E0    lPackage  C:\Windows\Installer\8-
00000200    c99d68.msi%  ModifyPath6 #%MsiE
00000220    xec.exe /I{3D33F6F0-4D90-484D-A1
00000240    D9-09AE791CCBD9}' ' ' %  Publis
00000260    her  The Eraser Project%  Readm
00000280    e%  Size%  EstimatedSize  #482
000002A0    8' %  UninstallString6 #%MsiExe
000002C0    c.exe /I{3D33F6F0-4D90-484D-A1D9
000002E0    -09AE791CCBD9}%  URLInfoAbout
00000300    http://eraser.heidi.ie/%  URLUp
00000320    dateInfo%  VersionMajor  #6%
00000340    VersionMinor  #0%  WindowsInsta
00000360    ller  #1%  Version  #100665639%
00000380       Language  #1033' ' ' $  @
000003A0     €Z Software\Microsoft\Windows\C
000003C0    urrentVersion\Uninstall\{3D33F6F
000003E0    0-4D90-484D-A1D9-09AE791CCBD9}x€
```

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Exhibit I – Windows System Information from hD2P3 SYSTEM registry

Deny Terminal Server connections	True	02/02/2012 10:26 42
CMFStartTime	02/02/2012 10:26:27	02/02/2012 10:26:27
SystemLastStartTime	02/01/2012 21:48:29	02/02/2012 10:26:27
HiberFileRuns	0	02/02/2012 10:26:41
User-configured daylight savings time	@tzres.dll,-111	11/08/2011 08:39:23
User-configured time zone	@tzres.dll,-112	11/08/2011 08:39:23
Time of last system shutdown	02/02/2012 10:25:30	02/02/2012 10 25 30

Local joining user	Dave Wilson	10/04/2010 16:00:48
Home group: owner	Dave Wilson	10/04/2010 16:00:48
Home group: Owner machine name	DaveWilson-PC	10/04/2010 16:00:48
Sysprep Image was prepared for duplication	Sat Feb 27 21:17:08 2010	02/02/2012 10:27:02
Time Zone	UTC -0500 Bogota, Lima, Quito	
Active Computer Name	DAVEWILSON-PC	
MAC Address	00 00 00 00 00 00	

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Exhibit K – Windows Attached Device List from HD2P3 SYSTEM registry

LastAccess	Name	Serial
11/01/2010 09:36:53	Disk&Ven_HP&Prod_Officejet_Pro_L7&Rev_1.00	a&d281b21&0&MY877230N1&0
10/12/2010 10:44:56	Disk&Ven_SanDisk&Prod_Cruzer_Mini&Rev_0.1	20043515131d9d90fdb1&0
08/19/2010 04:51:53	DiskTOSHIBA_MK5056GSY LH003C	5&138334a3&0&0.0 0
08/19/2010 04:51:56	CdRomhp_BD_ROM_BC-5501H 2.88	
12/27/2010 18.21:23	Disk&Ven_HP&Prod_Officejet_Pro_L7&Rev_1.00	a&ea58b34&0&MY877230N1&0
10/02/2011 14:04:37	Disk&Ven_Apple&Prod_IPod&Rev_1.62	000A2700152E2A87&0
01/03/2011 07:11:01	Disk&Ven_Sony&Prod_Storage_media&Rev_0100	030701192839O&0
02/08/2011 15:23:08	Disk&Ven_SanDisk&Prod_Cruzer&Rev_7.01	0266100CCB838CFF&0
05/16/2011 07:38:13	Disk&Ven_Generic-&Prod_Multi-Card&Rev_1.00	00000
05/18/2011 09:26:31	CdRom&Ven_Novatel&Prod_Mass_Storage&Rev_1.00	
07/18/2011 20:37:37	CdRom&Ven_Novatel&Prod_Mass_Storage&Rev_1.00	
03/21/2011 10:06:22	Disk&Ven_HP&Prod_Officejet_Pro_L7&Rev_1.00	a&3197d621&0&MY877230N1&0
05/22/2011 19:44:05	Disk&Ven_Apple&Prod_iPod&Rev_1.62	000A27001BB34529&0
07/29/2011 15:05:44	Disk&Ven_Kindle&Prod_Internal_Storage&Rev_0100	B006A0A00435BF16&0
02/01/2012 07:25:48	Disk&Ven_WD&Prod_1600BEVExternal&Rev_1.02	575843353037303633323533&0
02/01/2012 15:44:28	CdRom&Ven_WD&Prod_Virtual_CD_070A&Rev_1032	
02/01/2012 15:44:27	Disk&Ven_WD&Prod_My_Passport_070A&Rev_1032	575835314331305536343230&0
02/01/2012 21:56:37	Disk&Ven_SanDisk&Prod_Cruzer&Rev_1.00	20053045120F42E27BB6&0
02/02/2012 10:26:08	DiskTOSHIBA_MK5056GSY LH003C	4&1ff0dafc&0&0 0.0
02/02/2012 10:26:17	CdRomhp_BD_ROM_BC-5501H 2.88	
01/18/2012 08:41:51	Disk&Ven_HP&Prod_Officejet_Pro_L7&Rev_1.00	a&1872a48f&0&MY877230N1&0
01/20/2012 07:23:42	Disk&Ven_RIM&Prod_BlackBerry_SD&Rev_0003	]◆sg]◆sg]◆sg]◆sg]◆sg]◆sg]◆sg]◆sg]◆sg]◆sg]Disk&Ven_RIM&Prod_BlackBerry_SD&Rev_0003
01/20/2012 07:23:42	Disk&Ven_RIM&Prod_BlackBerry_SD&Rev_0003	]◆sg]◆sg]◆sg]◆sg]◆sg]◆sg]◆sg]◆sg]◆sg]◆sg]Disk&Ven_RIM&Prod_BlackBerry_SD&Rev_0003

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Exhibit L – Windows Portable Device List from HD2P3 SYSTEM registry

Access	Description	Serial	Name
02/02/2012 10:24:47	DISK&VEN_SANDISK&PROD_CRUZER&REV_7.01	0266100CCB83BCFF&0	H:\
02/02/2012 10:24:47	DISK&VEN_RIM&PROD_BLACKBERRY_SD&REV_0003	8&3A76F5FB&0&C680323C25660D65FB3CB42FE59FE59DA9713984&0	BLACKBERRY
02/02/2012 10:24:47	DISK&VEN_HP&PROD_OFFICEJET_PRO_L7&REV_1.00	A&1872A48F&0&MY877230N1&0	G:\
02/02/2012 10:24:47	DISK&VEN_SANDISK&PROD_CRUZER_MINI&REV_0.1	20043515131D9D90FDB1&0	H:\
02/02/2012 10 24:47	DISK&VEN_SANDISK&PROD_CRUZER&REV.1.00	20053045120F42E27B86&0	J:\
02/02/2012 10:24.47	DISK&VEN_SONY&PROD_STORAGE_MEDIA&REV_0100	03070119283908&0	H:\
02/02/2012 10:24:47	DISK&VEN_KINDLE&PROD_INTERNAL_STORAGE&REV_0100	B006A0A00435BF16&0	Kindle
02/02/2012 10:24 47	DISK&VEN_APPLE&PROD_IPOD&REV_1.62	000A27001BB34529&0	G:\
02/02/2012 10:24:47	DISK&VEN_GENERIC-&PROD_MULTI-CARD&REV_1.00	00000	H:\
02/02/2012 10:24:47	DISK&VEN_APPLE&PROD_IPOD&REV_1.62	000A2700152E2AB7&0	DAVE WILSON

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Exhibit M – User Accounts from SAM Registry on HD2P3

User ID of Dave Wilson	0x000003E9 (1001)	10/04/2010 16:00:48
User ID of Administrator	0x000001F4 (500)	10/04/2010 18:59:33
User ID of Guest	0x000001F5 (501)	10/04/2010 18:59:33
User ID of HomeGroupUser$	0x000003EA (1002)	10/04/2010 16:00:48
User ID of HomeUsers	0x000003E8 (1000)	10/04/2010 16:00:48
User ID of SQLServer2005SQLBrowserUser$DAVEWILSON-PC	0x000003EB (1003)	11/01/2010 15:23:26
User ID of SQLServer2005MSSQLServerADHelperUser$DAVEWILSON-PC	0x000003EC (1004)	11/01/2010 15:23:27
User ID of SQLServerMSSQLServerADHelperUser$DAVEWILSON-PC	0x000003EE (1006)	03/28/2011 10:49:53
User ID of SQLServerMSSQLUser$DaveWilson-PC$ACT7	0x000003EF (1007)	03/28/2011 10:50:00
User ID of SQLServer2005MSSQLUser$DAVEWILSON-PC$INFLOWSQL	0x000003ED (1005)	11/01/2010 15:23:27
User ID of SQLServerSQLAgentUser$DAVEWILSON-PC$ACT7	0x000003F0 (1008)	03/28/2011 10:50:15
User ID of Guests	0x00000222 (546)	10/04/2010 18:59:33
User ID of Administrators	0x00000220 (544)	10/04/2010 18:59:33
User ID of Event Log Readers	0x0000023D (573)	10/04/2010 18:59:33
User ID of Performance Monitor Users	0x0000022E (558)	10/04/2010 18:59:33
User ID of Performance Log Users	0x0000022F (559)	10/04/2010 18:59:33
User ID of Users	0x00000221 (545)	10/04/2010 18:59:33
User ID of Distributed COM Users	0x00000232 (562)	10/04/2010 18:59:33
User ID of IIS_IUSRS	0x00000238 (568)	10/04/2010 18:59:33
Group ID of None	0x00000201 (513)	07/13/2009 23:45:46
Base machine SID S-1-5-21-1328827509-348810604-2512048354	[]	08/19/2010 04:49:05
User Account	User ID: 1001 Last Log-on Time: 02/02/2012 10:26:59 Log-on Count: 469 Last PW change: 10/04/2010 21:00:48 Last failed login: 02/01/2012 20:45:08	02/02/2012 10:26:59
User Account	User ID: 500 Last Log-on Time: 08/19/2010 05:02:56 Log-on Count: 9 Last PW change: 07/14/2009 05:13:36 Account disabled	08/19/2010 05:02:59
User Account	User ID: 501 Last Log-on Time: ? Log-on Count: 0 Account disabled	08/19/2010 04:50:54
User Account	User ID: 1002 Last Log-on Time: ? Log-on Count: 0 Last PW change: 10/04/2010 21:00:48	10/04/2010 16:00:48

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Exhibit N – PST / OST file type references in Dave Wilson NTUSER registry

Volume	PST File Name
HD2P3	C:\Users\Dave Wilson\Outlook Files\custservice@ccc-films.com.pst
HD2P3	C:\Users\Dave Wilson\Outlook Files\dave@ccc-films.pst
HD2P3	C:\Users\Dave Wilson\Outlook Files\sales@ccc-films.com.pst
HD2P3	C:\Users\Dave Wilson\Outlook Files\davewilsonsr@charter.net.pst
HD2P3	C:\Users\Dave Wilson\Outlook Files\davewilson@easternfilms.net.pst
HD2P3	C:\Users\Dave Wilson\Outlook Files\Bill Shaw Contacts.pst
HD2P3	C:\Users\Dave Wilson\Outlook Files\archive inbox 9-2-11.pst
HD2P3	C:\Users\Dave Wilson\Outlook Files\inboxarchive1-22-12.pst

Exhibit Z – Recycle File $RQDODT0.lnk

```
>ëê@!?K…* ·__SafePSTBackup.exe_y___-x__ ıÏ_C \Program Files (x86)\4Team
Corporation\Safe PST Backup\SafePSTBackup exe\..\..\..\..\..\..\..\Program Files
(x86)\4Team Corporation\Safe PST
Backup\SafePSTBackup.exesC:\Windows\Installer\{8F955718-248F-4E76-8975-
768643A3C51C}\SafePSTBackupStart_8BCC1F7A6EC14B8BB52A89DE6E17E757.exe___ %System
Root%\Installer\{8F955718-248F-4E76-8975-
768643A3C51C}\SafePSTBackupStart_8BCC1F7A6EC14B8BB52A89DE6E17E757.exe%SystemRoot
%\Installer\{8F955718-248F-4E76-8975-
768643A3C51C}\SafePSTBackupStart_8BCC1F7A6EC14B8BB52A89DE6E17E757.exe__ *Á__ i@Z
|û üK‡JÀòà¹úŽÁM    A1SPSâŠXF¼L8C»ü_"&¯mÎ%__      S-1-5-18`_ Xdavewilson-
pc_g_'_E_Dœ‹&Ä&--²úé>Ô¥Ôà_-_È
©†'^_g_'_E_Dœ‹&Ä&—²úé>Ô¥Ôà_-_È
©†'^
```

From: dave wilson <davewilson@easternfilms.net>
Sent: Tuesday, June 24, 2008 11:33 AM
To: 'John Gandis'
Subject: EFS Sales and CCC projected sales
Attachments: 2007 - 2008 Sales.xls

Hi John,

Take a look at this and let me know if you have questions. I think the projected CCC sales are doable if we can get the pounds through the plant.

Thanks,

Dave

	A	B	C	D
1	2007 EFS Sales by Customer			
2				
3	Customer	Product	lbs sold	Sales $
4	31 Inc	Clear PET	11000	18300
5	31 Inc	met pet	4300	9000
6	caiflex	Clear PET	44500	47000
7	chata	Clear PET	6000	8600
8	chata	met pet	1200	1800
9	chata	nylon	8000	20600
10	Cody Co	Clear PET	40000	44000
11	Cody Co	met pet	6300	8800
12	Dikeman	matte pet	3000	5600
13	Filmquest	pvdc pet	10000	15000
14	Flagship	Clear PET	57700	77000
15	Flexeaze	Clear PET	6000	4300
16	Gray Flex	Clear PET	5500	5000
17	Gray Flex	micro	3400	2700
18	Gray Flex	met pet	28000	42500
19	Hart & cooley	Clear PET	172000	190000
20	Hart & cooley	met pet	131000	174000
21	Horizon	met pet	5000	13250
22	Industrias Vermont	Clear PET	22020	26424
23	Industrias Vermont	met pet	22300	33000
24	Interflex	Clear PET	69800	101900
25	JP Lamborn	Clear PET	33000	35000
26	Kempol	Clear PET	65000	50600
27	Minova 142	Clear PET	160000	295400
28	Plant Growers	met pet	1000	4000
29	techniflex	met pet	3000	5300
30	triton intl	Clear PET	69000	62000
31	triton intl	met pet	6000	7500
32	Valencia	Clear PET	80000	122000
33	PCFI	Clear PET	142000	120000
34				
35				1550574
36	Net Income 2007 after salary		115000	
37				
38				
39	2008 YTD EFS Sales by Customer			
40				
41	Customer	Product	lbs sold	Sales $
42	31 inc	white pet	2500	7000
43	chiefs	clear pet	31000	42000
44	chiefs	met pet	4400	6400
45	flexeaze	clear pet	14300	15900
46	flexible technologies	clear pet	20600	23900
47	flexible technologies	met pet	28000	35291
48	Global Pack	matte pet	1455	5000

	A	B	C	D
49	horizon	met pet	1700	7900
50	industrias vermont	clear pet	24000	28900
51	industrias vermont	met pet	24600	36408
52	interflex	various	11600	21500
53	jp lamborn	clear pet	6000	7200
54	jp lamborn	met pet	18700	24500
55	kempol	clear pet	5000	4000
56	lambo venting	met pet	20800	28200
57	Minova 142	clear pet	109000	207000
58	Minova 200	clear pet	104000	199000
59	Modular Metal	clear pet	169000	214600
60	plant growers	met pet	800	5000
61	techniflex	met pet	8200	11800
62	valencia	various	70000	113000
63	west carrollton	met pet	123000	193000
64				
65				1237499
66				
67	Net income 2008 ytd after salary		97000	

	A	B	C	D	E	F	G	H
1	Carolina Custom Converting accounts from EFS and new business							
2								
3	Customer	product	monthly lbs	Selling price/lb	Monthly Sales	Film Cost/lb	Film Margin / lb	Total Film Margin
4	Minova 142	clear pet	20000	1.63	32600	1.05	0 58	11600
5	Minova 200	clear pet	70000	1 43	100100	0.55	0.88	61600
6	ESA	clear pet	7000	1.7	11900	1	0 7	4900
7	Chiefs AC	clear pet	8000	1 45	11600	1.18	0 27	2160
8	Chiefs AC	met pet	4000	1 55	6200	0.9	0 65	2600
9	Flagship VDI	clear pet	5000	1.1	5500	0 2	0 9	4500
10	Lamborn	met pet	20000	1 45	29000	0 9	0 55	11000
11	techniflex	met pet	2000	1.63	3260	0 9	0.73	1460
12	Lambro	met pet	5000	1.45	7250	0.9	0 55	2750
13	Lamborn ???	clear pet	20000	1.35	27000	0.9	0.45	9000
14	31 Inc	clear 2 mil	600	1.7	1020	1.05	0 65	390
15	31 inc	2 mil white	800	2 8	2240	2 25	0 55	440
16	31 inc	2 mil met	300	2.4	720	1 5	0.9	270
17	31 inc	3 mil clear	400	1 9	760	1 15	0 75	300
18	Light Source	scrap	20000	0 32	6400	0.15	0.17	3400
19								
20			183100		245550			116370
21								
22								
23								
24	Annual Sales							
25								
26	Customer	product	Annual lbs	Selling price/lb	Annual Sales	Film Cost/lb	Film Margin / lb	Total Film Margin
27	plant growers	92 met	2000	4	8000	2 5	1.5	3000
28	flexeaase	micro	10000	1 15	11500	0 3	0 85	8500
29	flexeaase	clear	6000	1 4	8400	1	0 4	2400
30	flexeaase	met pet	6000	1 55	9300	0 9	0 65	3900
31	flagship	clear 48, 92	20000	1 15	23000	0 95	0 2	4000
32	valencia	var pet	15000	1.7	25500	1.15	0 55	8250
33	Various flexible duct	clear	40000	1 4	56000	0.95	0.45	18000
34	Various flexible duct	met pet	40000	1.55	62000	0 9	0 65	26000
35								
36								
37			139000		203700			74050

	I
1	
2	
3	Notes
4	
5	
6	
7	no slitting
8	slitting
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	Notes
27	no slitting
28	
29	
30	
31	direct ship from Dupont or Mitsubishi
32	
33	spot orders based on film avail
34	spot orders based on film avail
35	
36	
37	

From: Steve Norvell <snorvell@freshwatersystems.com>
Sent: Friday, March 09, 2012 1:02 PM
To: 'Dave Wilson'
Subject: RE: Gandis letter march 5

I'm in meetings w/ new vendor software today. We can discuss tonight at my house if you want. We can run the foil sale to Canadian customer through our company, the $21k in capital is no problem. What's your proposal on the profit allocation to FWS?

From: Dave Wilson [mailto:davewilson@easternfilms.net]
Sent: Friday, March 09, 2012 10:42 AM
To: 'Steve Norvell'
Subject: RE: Gandis letter march 5

Hi Steve,

I sent your email with the letter to John to Clayton just to have him read it over and make sure we're OK with that strategy. I think it's a good one. I have continued dialogue and meetings with Wynit (Todd Corey's company) and they are flying me down to Florida in 2 weeks to attend a trade show with them and meet the owners. I did a business plan for starting a film distribution division and they are still very excited. Todd and his direct boss have told me that unless some unforeseen trainwreck happens, they think the owners will make an offer in Florida and want me to start immediately. I disclosed the fact that CCC has offered a non compete and I am considering it. They did not have a problem with this and even hinted that they may be willing to compensate me for not signing a non compete with CCC. I'd like to get your insight on this when we talk next.

On another note, I have an opportunity to fill an order for a customer I have supplied for several years through CCC. When I told them I had left CCC weeks ago, they said they had confidence in my ability to supply product (which is mostly offshore) and that they would be willing to move their business with me when I end up somewhere. Anyway, my intent is to supply them through Wynit as soon as I start there. In the meantime, they need some product quickly and want me to fill an order. It's actually aluminum foil, not film. I have product available from a supplier and the company who has slit for me in the past has quoted on the slitting. The cost of the foil will be roughly $14000 and the slitting will be roughly $7000. There would be some freight costs and some trim loss in slitting. I would sell the order for roughly $32000. The customer is a large Canadian manufacturer and has always paid well. I have two problems with fulfilling this order. First, EFS is not really an active company, and second, I have no way to buy the foil. If you are open to helping me with this order by financing and maybe even running the transaction through your company, that would be great. If you can't or don't want to, not a problem. I am reluctant to run this through another distributor because I have no intention of continuing the business with them if I start with Wynit.

Anyway, let me know if you are open to helping. Talk with you soon.

P.S. – I told Julie about the potential order and that I was going to discuss it with you. She is fine with it.

Thanks,

Dave

From: Steve Norvell [mailto:snorvell@freshwatersystems.com]
Sent: Thursday, March 08, 2012 10:09 AM
To: 'Dave Wilson'
Cc: julienwilson@charter.net; davewilsonsr@charter.net
Subject: RE: Gandis letter march 5

Dave,

I fully support a reasonable transaction that allows a win-win for both you and John. Having said that, it's impossible to have any dialogue on specific numbers without having the 12/31/11 Financials as well as Financials thru 2/29/12. While I'm the first to agree there's been infractions committed by both members, IMO these are results of the way CCC was structured with a bias against you. Specifically, I have a hard time understanding how it came to be that JG owned/operated another entity in the same industry (or any industry for that matter) and yet you were expected to contribute all your efforts to CCC without any compensation/benefits that is commensurate with being an owner/member. The ability for JG to pull resources from another entity obviously gives him an upper hand when it comes to controlling your distributions from CCC and this is your sole source of income. Disastrous!

I took the liberty to share a brief summary of the CCC story as I know it with my attorney. "Sounds like minority oppression" was his first reaction and he referred me to a recent lawsuit involving a local family, the KIRIAKIDES, where two family members sued another family member for oppression and won. After my cursory review, there are many similarities.

Based upon your understandings of the CCC Financials, you've stated that **your share** of UNDISTRIBUTED earnings BEFORE DEPRECIATION as of 12/31/11 approximates $500,000. Considering all of the above and much more, I recommend selling your interest based upon the following:

1. Your 45% share of undistributed earnings BEFORE DEPRN as of 2/29/12, MINUS a reasonable allowance for DEPRN. (keep in mind that most sales are negotiated on a multiple of EBIDA). Terms to be negotiated, but I would not settle for less than $20k down and the balance financed up to 36 months in equal installments plus interest (Prime + 2, adjusted annually).
2. Compensation for Non-Compete for a period not to exceed 12 months at the rate of $10,000 per month (you are worth far more than that)

It's in your and JG's best interest to avoid litigation. But if they continue to delay and do not show any good faith in bring an amicable resolution via temporary distributions of $10,000 monthly, then you have my full backing to pursue litigation to protect your interest. I will need you and Julie to personally guarantee repayment over a 5yr period, interest free.

Steve

From: Dave Wilson [mailto:davewilson@easternfilms.net]
Sent: Tuesday, March 06, 2012 11:52 AM
To: Steve Norvell
Cc: julienwilson@charter.net; davewilsonsr@charter.net
Subject: Gandis letter march 5

Hi Steve,

I appreciate the efforts and time you have put into my mess over the past month or two. If you are still open to helping us with advise or dialogue with John and Andrea, we would welcome that. The latest offer we got from John last week was as follows:

For my interest, he offered

1. Forgiveness of the loan - $130,000 according to them
2. Paid off title to the Lexus – approx $15,000 value

John made the comment that the offer imputes an equity value of more than $350k to the company and that he is not certain the company is worth even that.

He also asked me if I would sign a 9 month agreement not to solicit business with 20 customers (not yet specified) in return for $30,000.00 ($10k at closing, $10k midway, and $10k at end of term). .

Attached is my response and counter offer. Please review and give me your thoughts. Here is some background on the value of the business.

1. My beginning capital account jan 1 2011 was $592,000.
2. The net asset value from the balance sheet Dec 31, 2011 is roughly $800,000 before depreciation and Andrea's illegal $100,000 "preference to minority" entry.
3. Earnings before depreciation since company started are roughly $2,300,000.00
4. My equity balance as of Dec 31, 2011 was -$510,000.00
5. Assuming they sold no product in Jan and Feb at the operating cost level for last year, the total loss they would incur would have been $260,000.00. They did have sales in Jan and Feb so their losses should be far less than this.

John is clearly still not being honest or fair when discussing the value of my interest or the value of the business.

I look forward to your input.

Thanks,

Dave

From: Dave Wilson <davewilson@easternfilms.net>
Sent: Wednesday, March 14, 2012 2:05 PM
To: 'Steve Norvell'
Cc: 'Jeremy Biller'; 'JulieAnne London'
Subject: RE: foil deal NeoLogic Distribution
Attachments: [Untitled].pdf

Thanks, Steve. See attached quotes from Rogers and Brown. They came in lower than my projected cost of $1000 each way. If you can get it quoted cheaper, great. Just be careful with customer names if talking with local carriers like Palmetto. I just don't want CCC knowing my business while we are in negotiations. I also got the supplier (Filmtech) to come down 4% on cost for payment in advance. I'll send this info to Imperial. You think its OK to give them the FWS TIN for now?

First shipment from Bean Station, TN to Cleveland OH 11,000 lbs on 11 pallets
Second shipment from Cleveland, OH to Alton, IL 10,000 lbs on 5 pallets

Thanks,

Dave

From: Steve Norvell [mailto:snorvell@freshwatersystems.com]
Sent: Wednesday, March 14, 2012 1:44 PM
To: 'Dave Wilson'
Cc: Jeremy Biller; 'JulieAnne London'
Subject: RE: foil deal NeoLogic Distribution
Importance: High

Your proposed deal looks good. We will get the freight quotes to compare against yours. Be sure to supply us with all the info to obtain quote (weight, pcs, class, NMFC, etc)

NeoLogic Distribution
85 Commerce Center
Greenville, SC 29615
Entity: S Corp
TIN: applied for, should have by Thursday (ok to use FWS # 330556622).
Submit orders to: steve@neologicdistribution.com

Thank you,
Steve

Steve Norvell
Fresh Water Systems, Inc.
864-284-1805 (Direct)

From: Dave Wilson [mailto:davewilson@easternfilms.net]
Sent: Wednesday, March 14, 2012 9:52 AM
To: Steve Norvell

Cc: davewilson@easternfilms.net
Subject: foil deal

Hi Steve,

Looks like I may get the foil Po today. I need your company info including tax ID# for Neologic so I can send the customer. I agree to take full risk on the order and personally guarantee it. FWS will have a 15% return on monies spent, 2% more if I can get better terms from the supplier. Here is the approximate breakdown of cost and timing on this order.

Foil purchase this week
11000 lbs at $1.25/lb = $13750.00

Slitting charges next week or when order completes
11000 lbs at $.62/lb = $6820.00

Freight charges should be net 15 days so it would look like the following subject to rate quotes expected back today.
Freight from supplier to slitter $1000 on March 30
Freight from slitter to customer $1000 on April 15

Selling price to customer is $3.25/lb delivered so 10000 lbs at $3.25 = $32500.00

Total spend for FWS is $22570.00 so with a 15% markup, your profit would be $3385.50 subject to actual costs. If I get better terms from the supplier, the return would be 17%.

I have offered the customer 2% net 10 days on payment terms. This discount would come out of my profit, not yours. They typically want 45 days but I am hoping they will agree to the discount. Worst case scenario, your money would be out there for 60 to 75 days.

Let me know if you have any questions. As soon as I get the Neologic info, I will confirm with the customer.

Customer is Imperial Manufacturing based in Richibucto, NB Canada. They are a large manufacturer of HVAC supplies with sales to Lowes and other big box stores in North America. Annual sales are unknown but estimated at $50 million. I have sold them for over 2 years and never had a payment issue.

Thanks for your help.

Dave

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Version: 2012.0.1913 / Virus Database: 2114/4870 - Release Date: 03/14/12



ROGERS & BROWN NORTH AMERICAN LOGISTICS, INC.
146 A West Phillips Road
Greer, SC 29650
Phone: (864) 801-8300
Fax: (864) 849-2050

Quote#: 3276

To: **DAVE WILSON** Fax#: **(864)250-9899**
Company Name: **EASTERN FILM SOLUTIONS** Telephone#: **(864)238-5407**
From: **ERNEST LASTER**
Quote Date: **03/14/2012** Date Expires: **00/00/0000**
Note: Quote is valid for 30 days from the "Quote Date" unless otherwise noted above.

Origin	Destination	Mode	Commodity/NMFC	Pcs.	Wgt. (lbs)	Miles	Transportation Charges(US Dollars)	
BEAN STATION, TN 37708	CLEVELAND, OH 44199	LTL	FILM OR SHEETING, OTHER THAN CELLULOSE, NMFC 156830 SUB 1, CLASS 55	11	11000		$696.41 **Base Rate** $142.76 **Fuel S/C**	Current Fuel Surcharge applies at the date of shipment.
Notes:PALLETS MUST STACK AND OCCUPY NO MORE THAN TWELVE FEET OF TRAILER								
Approximate Transit Days:1							$839.17 **Total**	

Origin	Destination	Mode	Commodity/NMFC	Pcs.	Wgt. (lbs)	Miles	Transportation Charges(US Dollars)	
CLEVELAND, OH 44199	ALTON, IL 43119	LTL	FILM OR SHEETING, OTHER THAN CELLULOSE, NMFC 156830 SUB 1, CLASS 55	5	10000		$521.82 **Base Rate** $106.97 **Fuel S/C**	Current Fuel Surcharge applies at the date of shipment.
Notes:								
Approximate Transit Days:1							$628.79 **Total**	

-Rates are subject to Shipper load and Consignee unload.

-Free Time: Two hours free time, with power except Intermodal is one free hour. Charges are $25.00 per 1/4 hour after free time expires

-Release value not to exceed $100,000 per Van shipment. Flatbed release value not to exceed $25,000 per shipment of new goods and $10,000 per shipment of used goods. The owner of the goods is responsible for the purchase of any additional insurance.Cargo insurance is not provided within Mexico.

-Absent Rogers & Brown's direct negligence, Rogers & Brown has no liability for cargo loss or damage.Rogers & Brown will assist the Shipper in filing any claims for freight loss or damage against the underlying carriers.

-Rates do not include any Customs, Broker or Bridgeman Fees.

3/14/2012

From: Ray Harris <ray@batsontax.net>
Sent: Thursday, September 20, 2012 2:44 PM
To: Dave Wilson
Subject: FW: Business Analysis
Attachments: image003.gif; image004.jpg; Annual Cash Flow 2007 to 3Q2011[1].pdf; Dave letter 11-10-11.doc; _Certification_.htm; _Certification_.htm

Follow Up Flag: Follow up
Flag Status: Completed

Are these two what you are hunting?

Ray

Batson Accounting and Tax, P.A.
20 Washington Park
Greenville, SC 29601
Office- 864.235.6824
Fax- 864.232.5873
MOBILE – 864.346.4005
Toll Free- 1.888.218.7466
www.batsontax.net

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IRS CIRCULAR 230 Federal tax advice contained in this communication is not provided or intended by this firm to be used for (1) the purpose of avoiding federal tax penalties that may be imposed, or (ii) promoting, marketing or recommending any entity, investment, plan or arrangement to any person

From: Dave Wilson [mailto:davewilson@easternfilms.net]
Sent: Thursday, November 10, 2011 10:56 AM
To: Ray Harrison
Subject: FW: Business Analysis

More reading. Let's discuss today.

Thanks,

Dave

From: Dave Wilson [mailto:dave@ccc-films.com]
Sent: Thursday, November 10, 2011 10:55 AM
To: 'Dave Wilson'
Subject: FW: Business Analysis

From: John Gandis [mailto:john@ccc-films.com]
Sent: Thursday, November 10, 2011 12:27 AM
To: 'Dave Wilson'
Subject: Business Analysis

John C. Gandis
Cell: 864-553-9338
Fax: 864-225-4317

Plant Address:
1017 River Heights Circle
Anderson, SC 29621

	2007 Total	2008 Total	2009 Total	2010 Total	20111 9 mos	CCC TOTAL
Revenue						
Sales of Film	23,048	204,637	2,657,770	6,557,607	4,308,762	13,751,823
Freight	-	2,273	1,770	58,208	41,231	103,482
Other Income	-	448,000	92,764	85,875	288,533	915,173
Adjustments	-	(576)	(7,073)	(80,996)	(18,677)	(107,323)
Uncollected	(18,866)	(227,151)	(192,218)	(659,930)	647,798	(450,367)
CASH IN	4,182	427,183	2,553,013	5,960,763	5,267,647	14,212,788
Operating Expenses						
Film	1,507	181,524	1,441,638	4,679,065	3,116,700	9,420,434
People	3,135	91,175	222,552	435,245	642,642	1,394,749
Production	3,044	16,110	51,510	91,255	179,505	341,424
Shipping	2,036	84,531	377,187	274,886	175,082	913,722
Repairs	607	16,598	118,912	100,061	48,831	285,009
Facilities Expense	-	16,643	51,426	59,010	50,847	177,926
Sales Expense	536	11,078	35,869	147,264	143,753	338,500
Office	157	2,958	18,719	22,511	19,401	63,745
Overhead	2,690	17,575	28,107	45,981	30,817	125,169
Interest	-	8,153	21,024	29,831	19,504	78,512
Equipment	17,061	98,185	163,516	179,343	158,587	616,691
Owner's Vehicles	-	3,020	3,870	9,166	4,625	20,681
Still Due to Others	(3,900)	(110,004)	(262,669)	(230,441)	140,431	(466,582)
CASH OUT	26,871	437,547	2,271,660	5,843,177	4,730,724	13,309,979
Cash Flow - CCC	**(22,690)**	**(10,363)**	**281,353**	**117,585**	**536,923**	**902,809**
$$ From Owners						
Loans	60,000	75,940	58,585	166,934	(361,459)	-
Contributions	6,000				-	6,000
Net Cash Flow	43,310	65,577	339,939	284,519	175,464	908,809
CASH PLAN						
To the Owners	-					
Taxes	-	58,000	368,027	261,810	150,198	838,035
"salary"	-					
Excess	-					
In the Bank	43,310	7,577	(28,089)	22,709	25,266	70,773
					-	-
Net Cash Flow	43,310	65,577	339,939	284,519	175,464	908,809

Dave – As a follow up to our conversation last week...

I am glad that we met to discuss our business and we should meet again this week (11-11 if ok with you). I would like to further discuss key facts about the business results and the plan for going forward.

After having an opportunity to digest everything that we spoke about, I had an opportunity to review our past with Andrea... where we have spent our cash and where we are moving forward.

One thing that you mentioned that has stuck with me is that you thought that "the purpose of a business is to service the owner's needs." I agree with this to a certain extent – but find this only to be true if the business is profitable with excess cash flow. CCC is not creating excess cash flow at the levels you are hoping. The bank is asking for personal guarantees for the working capital line of credit next year, and I am not willing to risk my home by allowing cash to be distributed to any owner until I know that the business is covering all debts and that the owners are first using the cash to pay their taxes.

The fact that your taxes for 2010 and 2011 are not paid makes me very nervous. This is why I have offered you a way to hopefully eliminate both tax bills. I realize the plan for 2012 and beyond is very different and two options avoid interruptions in cash flow for your family. It is important you understand my cash flow plan as you make your decision.

I have not made this decision lightly and this is not about putting others ahead of you because I have another source of income... I don't think you are aware that I personally funded your cash distributions in our early years. I also don't think that you are aware that the company has already distributed over 90% of the cash it generated throughout our approximate 4 years in business.

During 2007, our business generated a loss and we each contributed cash into the business to help cover this loss. In 2008 CCC reported income, but we spent all our profits on film and assets creating a negative cash flow. As there was no cash to distribute, I put money into the company so you could receive a monthly check. 2009 generated positive cash flow. But we did not limit our distributions to cash generated by the company. I put in almost $200K into the company to pay for the extra distributions. This repeated in 2010 when the company distributed more than twice the cash that was created by the company. As of 2011, CCC has distributed more than 90% of the cash created by the business (including your advances). As partners, we should bear this risk and this cash flow evenly. At the time I was able to continue to help you out by tapping into my own loans so you would not have to wait on the company to generate cash flow.

My hope for a plan in 2012 was to get within $80k of you. Upon cash analysis – that $80k dollar catch up may take all of the cash if we repeat the way we did this year. So far we have generated approximately 90k in cash. After the catch up is complete, the company will need to send tax payments directly to the IRS. We cannot have our owners with an unpaid tax bill. It is easier for you and I to borrow to eat than to pay the IRS. The company can not go on making monthly loans to you as we did in 2011 as these loans have created issues with paying our vendors on time. It is important that cash distributions be made to the owners only after all debts are covered and tax distributions have been funded. . otherwise we will continue to dig an even deeper hole.

Our receivable situation is typical of this market and we just pay our vendors late when the cash is late. Our cash sometimes is spent on new film before our customers can pay us. The largest cash outlay is film purchases – which you control. This is where our attention needs to be focused.

I am looking forward to working with you but we need to get into a structure that is best for your family and for our business. I am in complete agreement with you that the cash generated by CCC is for the owners. Where we may disagree is when the cash should be distributed. Going forward we will be making three changes that are going to have an impact on the cash flow of all the owners. If you plan to stay as an owner, you must agree with all three points otherwise we should discuss the two other structures since they are helpful to your monthly cash flow and tax situations.

All owners must agree that going forward all distributions will be made on the same day in a pro-rata basis. Next we will no longer delay any payments to a vendor so that partners can be paid on a set day of the month. Finally we will be keeping the owners aligned. As a result we will not continue to make advances to you but we will agree to take up to a year to make all the catch up distributions. When and how much cash will be distributed will be based on the situation inside the company without regards to the personal cash flow situation of any particular owner. There will be no guarantee when or how much an owner will receive throughout the year and the amount that might be distributable will be based only the actual cash available after cash has been set aside for vendor and upcoming film purchases.

Let me know if Friday is a good time to review these numbers. I had a number of questions when I first saw the analysis – so let me know what questions you may have before Friday so that I can answer them correctly.

Thanks,

John

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Version: 2012.0.1869 / Virus Database: 2092/4608 - Release Date: 11/10/11

STATE OF SOUTH CAROLINA

COUNTY OF GREENVILLE

IN THE COURT OF COMMON PLEAS

RECEIVED
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JUDGMENT IN A CIVIL CASE

CASE NO: 2012CP2302887

FILED-CLERK OF COURT
2015 JAN 9 PM 4:38
PAUL B. WILSON

David Wilson *vs.* John Gandis

CHECK ONE:

☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.

☐ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

☐ **ACTION DISMISSED (*CHECK REASON*):** ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. Nonsuit); ☐ Rule 43(k), SCRCP (Settled); ☐ Other: _____

☐ **ACTION STRICKEN (*CHECK REASON*):** ☐ Rule 40(j) SCRCP; ☐ Bankruptcy: ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other: _____

☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):** ☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other: _____

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED: ☐ See attached order; ☐ Statement of Judgment by the Court:

Dated at Greenville, South Carolina, this .

Court Reporter

PRESIDING JUDGE -

This judgment was entered on the 9th day of January, 2015, and a copy mailed first class this 9th day of January, 2015, to attorneys of record or to parties (when appearing pro se) as follows:

W. Andrew Arnold 712 E. Washington St Greenville, SC 29601

Mason A. Goldsmith PO Box 1887 Greenville, SC 29602
Daniel L. Draisen 207 E. Calhoun St. Anderson, SC

CPTORV4M
SCCA SCRCP Form 4 Revised 06/2008

29621
Larry Lee Plumblee Eppes &.Plumblee, P.A. P.O. Box 10066 Greenville, SC 29603
Steven E. Farrar Smith Moore Leatherwood LLP P.O. Box 87 Greenville, SC 29602
Jason Daniel Maertens Smith Moore Leatherwood LLP P.O. Box 87 Greenville, SC 29602
Thomas L. Stephenson 207 Whitsett St Greenville, SC 29601
Burl F. Williams PO Drawer 10648 Greenville, SC 29603
Bruce Bellinger Campbell 307 Pettigru Street Greenville, SC 29601

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

Paul B. Wickensimer Greenville County Clerk Of Court - Clerk of Court

CPFORM4M
SCCA SCRCP Form 4 Revised 06/2008

Comp Hill

STATE OF SOUTH CAROLINA COUNTY OF GREENVILLE David Wilson, individually and derivatively on behalf of Carolina Custom Converting, LLC, Plaintiff, -vs- John Gandis, Andrea Comeau-Shirley, ZOi Films, LLC, and Carolina Custom Converting, LLC, Defendants, John Gandis and Andrea Comeau-Shirley, Third-Party Plaintiffs, -vs- Carolina Custom Converting, LLC, Third Party Defendant and Counterclaim Plaintiff, -vs- Dave Wilson, Steve Norvell, Neologic Distribution, Inc. and Fresh Water Systems, Inc.	IN THE COURT OF COMMON PLEAS C.A. NO.: 2012-CP-23-02887 **ORDER**

FILED-CLERK OF COURT
GREENVILLE, S.C.
PAUL B. [illegible]
2015 JAN 9 PM 4 28

I. PROCEDURAL BACKGROUND

This case concerns the management travails of Carolina Custom Converting, LLC (CCC), a company engaged in the plastic film business and owned by Plaintiff David Wilson (Wilson), Defendant John Gandis (Gandis), and Defendant Andrea Comeau-Shirley (Shirley). Wilson alleges (1) he was subject to shareholder oppression by Gandis and Shirley; (2) Gandis breached his fiduciary duty to CCC and Wilson; (3) Gandis and Shirley converted company funds and property to their own

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ENTERED COMPUTER

use; (4) he was entitled to dissolution of the company, or in the alternative, disassociation. Defendants Gandis and Shirley answered and counterclaimed that Wilson had breached his fiduciary duty. Wilson later sued as a derivative representative of CCC and brought in ZOi Films, LLC (ZOi) and Deco-Tex, LLC (Deco-Tex) as additional defendants.

On September 20, 2013, Wilson filed a Second Amended Complaint alleging the same causes of action in an individual capacity as well as derivatively, but added CCC as a party.[1] CCC then counterclaimed against Wilson, Steve Norvell, Fresh Water Systems, Inc., and Neologic Distribution, Inc. for breach of duty of loyalty, conspiracy, and violations of the S.C. Trade Secrets Act, among others, but this Answer was not served on Norvell, Neologic, and Fresh Water until March 24, 2014. Norvell, Neologic, and Fresh Water responded, asserting the S.C. Trade Secrets claim was made in bad faith.

The parties agreed to waive a jury trial and submit all claims to a bench trial, which was held September 29, 2014 through October 3, 2014.

I. FACTUAL FINDINGS

In November 2007, Wilson and Gandis formed CCC. At the time of formation, Wilson owned and operated Eastern Film Solutions (EFS), which bought and sold polyester, plastic, and metalized films.[2] Gandis owned and operated Decotex, which bought and sold decorative designs for vinyl film. The basic agreement was for CCC to perforate and "slit" (cut) film. Wilson agreed to run much of EFS' slitting business through CCC.

In 2008, Wilson and Gandis discussed expanding the scope of CCC and winding down their individual businesses. They discussed EFS buying film from CCC and selling it as an additional source of income to CCC. CCC began to purchase and sell film in addition to slitting, and EFS became

[1] CCC entered an appearance as a party in October 2012; however, Plaintiff did not seek any relief from CCC. The amendment followed a debate about CCC's status as a party, and Plaintiff agreed to add CCC as a first party Defendant.
[2] Wilson had been in the film business for nearly 20 years. His brother-in-law Steve Norvell occasionally financed Wilson's overseas film transactions.

a slitting customer as well as a purchaser of CCC inventory. In either May or June 2008, Wilson agreed to make CCC the buyer and seller of film on one of EFS's major accounts, Minova, resulting in significant additional revenues for CCC.

The Minova account fueled additional discussions about EFS winding down and conducting all new film business through CCC. However, Wilson indicated he wished to keep 3 import accounts separate from CCC. The three accounts to be excluded from the deal were Lamborn, Modular Metal, and West Carrolton (two of which, Lamborn and West Carrolton, were financed by Steve Norvell). The parties did not sign a formal operating agreement for CCC, but this court finds that certain oral agreements were reached whose terms never altered Wilson's understanding that these three accounts would remain separate from CCC.

The court finds the parties agreed that Gandis and Wilson founded the business as equal partners, that Wilson would wind down EFS and receive compensation in the amount of $8,000 per month, and Gandis would fund the business through two credit lines (the M-Tech line of credit and the Decotex line of credit). Wilson would lead CCC's sales efforts and Gandis would manage operations.[3] Gandis engaged Shirley, a Georgia-licensed Certified Public Accountant, for accounting and formation advice. CCC was organized as a manager-managed limited liability company, and Gandis was identified in the articles of organization as the manager. Beginning in or about July 2008 and consistent with his agreement with Gandis, Wilson began winding down EFS, which continued through July 2009.

While Shirley attempted to finalize an operating agreement for CCC, she also provided personal counsel to Gandis. However, no written operating agreement was ever completed. In 2009, Shirley agreed to accept a 10% interest in CCC in exchange for providing accounting services. Gandis and Wilson each transferred 5% of their interest in CCC to her, each retaining a 45% interest.

[3] CCC did not engage in the import film market until 2010.

Although Shirley did not have a formal voting interest, she took an active role in management, primarily through private communications between her and Gandis.

CCC's business grew, and with the help of a film shortage in 2010 it flourished, turning a profit of over a million dollars. However, since CCC was organized as a subchapter S entity, the members were responsible for taxes proportionate to their ownership interest. Also, because CCC filed taxes on an accrual basis, this tax liability was even greater. In the past, a tax distribution was made to the members, and funds had been set aside for a tax distribution for 2010. CCC's profits in 2010 created phantom income for the members, and the leaner revenue of 2011 produced a shortfall for the tax payment.

Shirley began to extensively advise Gandis as to the management of CCC and the treatment of Wilson, which ultimately led to his oppression and eventual ouster. She advised Gandis to pay off an equity line previously relied upon by CCC to help even out cash flow and purchase inventory so Gandis could pay his personal tax liability. Gandis used CCC funds set aside for the 2010 tax liability to pay off CCC's obligation of the line of credit, and then used the line of credit to pay his taxes. Wilson was then informed CCC would not make a tax distribution to cover his tax liability as previously agreed and as had been done in the past.

March 2011 emails between Shirley and Gandis revealed a plan to use CCC's employees to perform tasks for Gandis's other business interests, M-Tech, Inc. and Decotex, LLC. Testimony corroborated the emails. Also at this time, a secretive effort was initiated to monitor Wilson's emails. Shirley's emails to Gandis outlined a plan to flip Wilson from an owner to an employee. Contemporaneously, Shirley and Gandis began deferring their distributions and classifying the monthly income that Wilson had been paid pursuant to the July 2008 agreement as a "loan." By August 16, 2011, Shirley bluntly proposed that they develop an "Exit Strategy" for Wilson and identified who could take Wilson's place as head of the sales team.

In September 2011, Gandis intercepted an email from Wilson's wife and forwarded it to Shirley. Shirley responded that the email demonstrated marital discord arising from Gandis's opportunity to "restructure" Wilson. From this point forward, the emails between Gandis and Shirley evidence an effort to exclude Wilson from the benefits of ownership and to cease paying him his monthly income as part of an effort to "squeeze" him to relinquish his ownership interest. Under pressure, Wilson engaged in discussions with Gandis to become an employee. In her private coaching to Gandis, Shirley advocated high pressure tactics. Wilson was given the deadline of January 7, 2012 to either become an employee or cease receiving the monthly income that he relied upon. As this deadline approached, Shirley prepared a "Pro-Forma Balance Sheet" to accompany an offer to Wilson to buy his interest. However, the balance sheet contained questionable accruals and removed assets that had been listed on previous CCC balance sheets. Although Gandis and Shirley indicated they would also sell at a price based upon this balance sheet, their offer had materially different terms, including the requirement that Shirley be paid a $100,000 "preference on units" and that Wilson purchase M-Tech's building, which Shirley deemed a "burden." The balance sheet had the effect of devaluing Wilson's interest in CCC.

The parties could not reach an agreement. Wilson approached potential buyers of CCC, to whom he provided information about CCC's financial status, absent customer names, subject to a non-disclosure agreement. During this time, Shirley counseled Gandis to be patient and allow the pressure to build on Wilson. All the while, emails between Wilson and his lawyer, his accountant, and others were monitored, giving Shirley and Gandis access to Wilson's thought process. Wilson discussed potential employment with another company and indicated he did not have a non-compete or a non-solicitation agreement.

An early 2012 email between Gandis and Shirley reveals their decision to terminate Wilson but maintain that he resigned, and to physically lock him out of his office. On January 17, 2012, Gandis

arrived at CCC's Greenville office with law enforcement and a locksmith and advised Wilson his resignation was accepted. Wilson protested that he was not resigning, but eventually had no choice but to leave, although he left with two of his laptops and Blackberry in hand. Gandis then changed the locks.

After Wilson's ouster, Gandis and Shirley formed ZOi Films, LLC, which was intended to take CCC's better business opportunities. Representations to the bank and to the Internal Revenue Service demonstrate that ZOi Films was organized with two members: M-Tech, Inc. (owned by Gandis) and Creative Brain Storms, Inc., a Georgia corporation owned by Shirley. After Wilson discovered the ZOI Films scheme, Gandis and Shirley maintained ZOi was intended to be a wholly-owned subsidiary of CCC.

In sum, Gandis and Shirley's oppressive and unfairly prejudicial acts included:

- Initiating an "Exit Strategy" on August 16, 2011;
- Threatening to stop Wilson's guaranteed and agreed upon monthly payments unless he relinquished his equity interest and became an at-will employee with a non-compete agreement;
- Refusing to make tax distributions for Wilson while instead using money set aside for such to pay off the line of credit so Gandis could borrow to pay his own taxes;
- Monitoring all of Wilson's private emails, including those with his wife, his attorney, and his accountant;
- Making representations that he may not receive distributions for another two years;
- Managing the money supply to make it appear as if cash was more limited than it was in actuality;
- Continually making unilateral changes, including secretly back-paying rent at a higher rate than agreed upon and transferring assets (ex. air conditioner) to Gandis's entities through expensing such items as rent;
- Limiting Wilson's access to financial information of the company;
- Removing him from signatory authority on the operating account;

- Removing his ability to make wire transfers for the company;
- Excluding him from discussions about business operations;
- Stopping Wilson's guaranteed and agreed upon monthly distribution in January 2012;
- Manipulating the December 2012 pro-forma balance sheet to devalue Wilson's interest in CCC;
- Physically locking Wilson out of his business and refusing to allow him to return;
- Demanding possession of Wilson's computer and Blackberry;
- Terminating the cell phone plans for Wilson and his family while maintaining coverage for the other members;
- Terminating health insurance coverage for Wilson and his family;
- Forming ZOi to compete with CCC in order to siphon profits until Wilson caught Gandis and Shirley; and

After his ouster, Wilson began working and selling film for Neologic, Inc., owned by his sister-in-law and managed by Steve Norvell. Sales began slowly in 2012, mostly to former CCC customers with whom Wilson had long term relationships that predated CCC. Wilson continued to sell film for Neologic in 2013 and 2014, including to former CCC customers.

In 2013, CCC alleged that Wilson had usurped corporate opportunities in 2008 and 2009, including the three accounts excluded from the agreement between Wilson and Gandis. Norvell was alleged to have aided and abetted these alleged breaches of fiduciary duty and to have conspired with Wilson to dissolve CCC. In addition, CCC alleged that Wilson and Neologic/Freshwater had misappropriated trade secrets and converted company information for their own use.

However, Wilson presented testimony from others engaged in the film business demonstrating that polyester film was a commodity and that the alleged trade secrets were readily available from the internet, trade associations, trade shows and manufacturers' pricing information regularly furnished to potential film purchasers. Although industry and customer information was gathered by CCC, this

information was readily available from public sources. Moreover, CCC made little if any effort to protect the information; neither Wilson, Gandis, Shirley, Bill Shaw, Mike Myers, nor any other CCC employee or contractor was required to sign a non-disclosure agreement prior to Wilson's ouster.

Both parties presented expert testimony as to CCC's value both at the time of ouster and at the end of 2013. Wilson's expert Catherine Stoddard valued CCC at the time of ouster at $1,018,753 and Wilson's interest at $408,335.[4] However, there was testimony by both experts as well as the court-appointed experts as to possible adjustments to the value of the entity due to equipment moving costs, excess inventory, and advances.

III. LAW / ANALYSIS

A. Wilson's Claim for Shareholder Oppression.

Under S.C. Code Ann. § 33-44-410:

> [a] member or manager may maintain an action against a limited liability company or another member or manager for legal or equitable relief, with or without an accounting as to the company's business, to enforce:
>
> (1) the member's rights under the operating agreement;
>
> (2) the member's rights under this chapter; and
>
> (3) the rights that otherwise protect the interests of the member, including rights and interests arising independently of the member's relationship to the company.

The full range of equitable remedies are available to the court, although the South Carolina Code § 33-44-801(4) sets out specific provisions for dissolution, which shall occur:

> (4) on application by a member or a dissociated member, upon entry of a judicial decree that:
>
> ....
>
> (e) the managers or members in control of the company have acted, are acting, or will act in a manner that is unlawful, oppressive, fraudulent, or unfairly prejudicial to the petitioner.

[4] Defendant CCC's expert valued Wilson's interest at the time of ouster at $354,000.

The courts have used the terms "freeze out" or "squeeze-out" interchangeably; the terms mean "the use by some of the owners or participants in a business enterprise of strategic position, inside information, or powers of control or utilization of some legal device or technique, to eliminate from the enterprise one or more owners or participants." *Kiriakides v. Atlas Food Sys. & Servs. Inc.* 343 S.C. 587, 604 n.26, 541 S.E.2d 257, 267 n.26. (2000) (citation omitted). "Common freeze out techniques include termination of a minority shareholder's employment, the refusal to declare dividends, the removal of the minority shareholder from a position of management, and the siphoning off of corporate earnings through high compensation. Often, these tactics are used in combination." *Id.* at 604-05, 541 S.E.2d at 267 (footnotes omitted). So it is in this case.

The South Carolina Supreme Court recently applied the oppression standard in *Ballard v. Roberson* when it stated the following:

> We acknowledge that the facts before us are not as egregious as those in *Kiriakides*, which included actual fraud by Alex upon the minority. However, illegal or fraudulent conduct is not required under section 33-14-300(2)(ii), and we agree with the circuit court that the evidence in the record shows oppression by the majority in this instance. The concern and focus in shareholder oppression cases is that the minority "faces a trapped investment and an indefinite exclusion [from] participation in business returns." Ballard here, like John and Louise in *Kiriakides*, similarly faces prospects of exclusion from the business, a slim chance of seeing a return any time soon, and no market in which to otherwise unload his investment.

399 S.C. 588, 595, 733 S.E.2d 107, 110 (2012) (citations omitted).

Interestingly, the Court in *Ballard* relied on emails to determine the motives behind the plaintiff's exclusion from the business.

> In particular, e-mail communications between the other shareholders clearly indicate their desire to oust Ballard. The individual Appellants wanted to convince Ballard to return his 20% interest in Warpath in the hopes that "he [would] take his [$1,000,000] and run [] after a little threatening, posturing and whining." Furthermore, when discussing what options to give Ballard, Thoennes, III posited, "Don't we want to get him out of the deal?"

Id. at 595, 733 S.E.2d at 110-111 ("Although at trial the individual Appellants sought to downplay the implications of these electronic exchanges, this enunciation of their intent to force out Ballard simply contextualizes their subsequent actions").

The emails proved an overt scheme to oust Wilson, and document the step by step efforts of the majority to "flip" Wilson from an owner to an employee. Moreover, the emails provide multiple examples of oppressive and prejudicial actions by Gandis, CCC's manager, and Shirley, who exercised control delegated to her by Gandis, including the management of CCC's financial affairs. In addition, Gandis and Shirley were surreptitiously reading Wilson's emails. The record—particularly the remarkable emails between Gandis and Shirley—abounds with evidence of calculated oppression. There is little left for the fact finder in this "freeze out" claim to do when Wilson's business partners declare "we will freeze his capital account" and gloat that their cabal will "mean that Dave sits with a frozen capital account until the LLC liquidates (and he will still have a 2010 tax bill that he has to pay)." Plaintiff Ex. 48 (October 24, 2011 email from Shirley to Gandis). The financial manipulation of the minority is the essence of oppression in a close corporation; what makes this instance so striking is the brazen but clumsy manner in which the plan was conceived and executed.

Wilson was also literally locked out of his business. He has not had access to financial information about CCC's finances except when this court has compelled Defendants to produce such information, and he has had none since August 2013. This is a classic squeeze-out, and Wilson established by clear and convincing evidence that "the managers [and] members in control of [CCC] have acted, are acting [and] will act in a manner that is unlawful, oppressive, fraudulent, or unfairly prejudicial to the petitioner." S.C. Code Ann. § 33-44-801(4)(e).

The parties acknowledge this court has the authority to fashion an equitable remedy of a buy-out of Wilson's distributional interest as an alternative to dissolution.[5] S.C. Code Ann. § 33-44-410 permits broad discretion in fashioning an equitable remedy to enforce the rights of a member. See

[5] Based in part upon *Hendley v. Lee*, 676 F. Supp. 1317 (D.S.C. 1987), Defendants took the position in response to Plaintiff's motion for partial summary judgment and during the trial of this matter that a buy-out was an equitable remedy available to the court as an alternative to the harsh remedy of dissolution. Although Plaintiff pled a cause of action for dissolution, Plaintiff agreed with Defendants' position that under S.C Code § 33-44-410, this court had the authority to fashion an equitable remedy. In addition, Plaintiff's actions for an accounting, dissolution, and derivative actions are all equitable in nature.

Historic Charleston Holdings, LLC v. Mallon, 381 S.C. 417, 428, 673 S.E.2d 448, 454 (2009) ("[W]e find that the LLC Act grants broad judicial discretion in fashioning remedies in actions by a member of an LLC against the LLC and/or other members"), *citing* S.C. Code Ann. §§ 33-44-410 cmt.,- 801 cmt. (2006). In addition, when considering remedies for shareholder oppression in the corporate context, the Supreme Court has stated:

> if it is established by a shareholder that "the directors or those in control of the corporation have acted, are acting, or will act in a manner that is illegal, fraudulent, oppressive, or unfairly prejudicial either to the corporation or to any shareholder (whether in his capacity as a shareholder, director, or officer of the corporation)" [citing S.C. Code § 33-14-300(2)(ii)], [then] Section § 33-14-310(d)(4) permits a court to make such order or grant such relief, other than dissolution, as in its discretion is appropriate, including providing for the purchase at their fair value of shares of any shareholder, either by the corporation or by other shareholders.

Kiriakides v. Atlas Food Sys. & Servs., Inc., 343 S.C. 587, 596 (2001).

To the extent applicable to a buy-out of a member's distributional interest as an equitable remedy for oppressive, fraudulent, or unfairly prejudicial conduct is proper, this court has valued Plaintiff's interest consistent with § 33-44-702. In determining the fair value of Wilson's distributional interest, the Court believes that the time of ouster is the most appropriate date for valuing Wilson's interest.[6] See *Hendley v. Lee*, 676 F. Supp. 1317 (D.S.C. 1987); *see also* Douglas K. Moll, *Shareholder Oppression and "Fair Value": Of Discounts, Dates, and Dastardly Deeds in the Close Corporation*, 54 DUKE L.J. 293 (2004). In this regard, this court adopts Ms. Stoddard's credible December 31, 2011 valuation with three adjustments. As of that date, Stoddard determined that CCC had a valuation of $1,018,753. The first adjustment is that the value should be adjusted downward by $50,625, to account for possible excess inventory. Second, the value of the equipment should be adjusted further downward by twenty five percent (25%) of fair market value of the equipment to account for moving costs. After these two adjustments, the value of CCC as of December 31, 2011 is

[6] In a case of dissociation, S.C. Code § 33-44-702 provides for valuation on the date of dissociation.

$884,140.50; the fair value of Wilson's forty-five percent (45% interest) is $397,863.23. Wilson's share is reduced by another $50,000.00 for previous advances he had received.

Moreover, there was no evidence presented by Defendants as to the current financial condition of CCC.[7] Unlike a dissociation provided for in §33-44-701 where the managing members have no fault, this case involves clear and convincing evidence of oppressive conduct by Gandis and Shirley and a forced lock out of Wilson. Therefore, this Court believes the most equitable remedy is that Gandis and Shirley be ordered to buy out Wilson's distributional interest.[8]

B. Defendants' Claims for Breach of Fiduciary Duty.

Defendants failed to prove their claim for breach of fiduciary duty. The evidence did not establish that Wilson had agreed to transfer the three import accounts (West Carrollton, Modular Metal and Lamborn) to CCC in 2008. First, Wilson testified that these three accounts were clearly excluded. Second, a document provided by Gandis to Shirley for the purpose of drafting an operating agreement specifically references Wilson's intent to exclude three import accounts; another email from Gandis to Shirley further corroborates Wilson's testimony. Finally, there was conflicting testimony from Shirley and Gandis as to their understanding of these accounts.

The court finds Defendants were aware EFS was conducting business with these accounts in 2008 and 2009. Even if Wilson had agreed to transfer them to CCC, these claims would be time barred. Gandis and Shirley knew that EFS continued to do business with West Carrollton in July 2009, and with Lamborn after July 2008. Even assuming the three accounts were intended to be part of the Wilson-Gandis agreement, Defendants failed to engage in a reasonable inquiry when they received notice in 2009 that Wilson had in fact conducted import business with these accounts. Defendants' failure to take action upon receipt of knowledge of EFS' continued business with West Carrollton

[7] At the time of trial, Wilson had a pending motion to compel for financial information for CCC. Bradshaw's report concluded with financials for the calendar year 2013.

[8] Plaintiff also brought claims for breaches of fiduciary duties both individually and derivatively. This Court concludes that ordering a buy-out of Wilson's interests at the time of ouster makes a ruling on this claim unnecessary.

suggests that the three accounts were not part of the deal. *See e.g., Rumpf v. Mass. Mut. Life Ins. Co.*, 357 S.C. 386, 394-395 (Ct. App. 2004). A reasonable inquiry in 2009 by Defendants would have established the full extent of EFS activities with these three import accounts, yet even with full knowledge of West Carrollton sales by EFS, Defendants did nothing.

Because Wilson did not breach any fiduciary duty to the Defendants, the claims that Norvell aided and abetted these breaches are likewise without merit. Moreover, there is no evidence that Norvell had any knowledge of Wilson's duties to the Defendants or the nature of his agreement with Gandis.[9] "The gravamen of the claim [of aiding and abetting] is the defendant's knowing participation in the fiduciary's breach." *Future Group, II v. NationsBank*, 324 S.C. 89, 99, 478 S.E.2d 45, 50 (1996) (rejecting a claim of aiding and abetting a breach of fiduciary duty because defendant's lack of actual knowledge prevented knowing participation in the breach). See also *Simmons v. Danhauer & Assocs.*, LLC, 2010 U.S. Dist. LEXIS 112483 (D.S.C. Oct. 21, 2010); *Vortex Sports & Entm't v. Ware*, 378 S.C. 197, 205, 662 S.E.2d 444, 449 (Ct. App. 2008) (finding liability where the defendant had actual knowledge of a fiduciary duty and "knowingly encouraged" the fiduciary to breach that duty). CCC presented no evidence that Norvell had knowledge of a fiduciary duty Wilson owed to CCC or its members. Nor was there any evidence that Norvell's financing of Wilson's film purchases (as he had done before the formation of CCC) would relate to or encourage breach of any of duty. Defendants failed to prove any of the elements of this claim against either Wilson or Norvell.

C. **CCC's Claims for Violation of the S.C. Trade Secrets Act.**

CCC failed to prove that Wilson, Neologic, or Freshwater misappropriated CCC's trade secrets. Multiple witnesses who have extensive experience and knowledge of the film and packaging industry testified that much (if not all) of the information claimed as trade secrets is publicly accessible. Trade shows, trade journals, and online sources provide access to customer information, pricing information

[9] At trial, there was conflicting testimony by the Defendants about the precise terms of the Wilson-Gandis agreement, which further undermines any assertion that Norvell knew and understood the agreement between Wilson and Gandis.

as well as information about manufacturers and suppliers. *See e.g., Atwood Agency v. Black*, 374 S.C. 68, 72, 646 S.E.2d 882, 883 (2007) ("Because the information [a list of potential customers] Atwood seeks to protect is available through other proper means, it is not protected as a trade secret."). In addition, Wilson had been in the industry for 20 years and brought much information with him when he joined Gandis in forming CCC. *See Carolina Chem. Equip. Co. v. Muckenfuss*, 322 S.C. 289, 471 S.E.2d 721 (Ct. App. 1996).

Moreover, CCC did not sufficiently safeguard its information as required to warrant protection under the S.C. Trade Secrets Act. South Carolina law defines a trade secret to mean:

> information including, but not limited to, a formula, pattern, compilation, program, device, method, technique, product, system, or process, design, prototype, procedure, or code that (a) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by the public or any other person who can obtain economic value from its disclosure or use, and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

S.C. Code Ann. § 39-8-20(5)(a) (2012). In *Carolina Chem. Equip. Co. v. Muckenfuss*, 322 S.C. 289, 471 S.E.2d 721 (Ct. App. 1996), the court determined that "[t]he threshold issue in any trade secrets case is not whether there was a confidential relationship or a breach of contract or some other kind of misappropriation, but whether there was a trade secret to be misappropriated," and in order to decide "whether something is a trade secret, one must consider the extent to which the information is known outside of his business and the ease or difficulty with which the information could be properly acquired or duplicated by others." *Id.* at 295, 471 S.E.2d at 724.

A party claiming a trade secret violation must exercise "eternal vigilance," which "calls for constant warnings to all persons to whom the trade secret has become known and obtaining from each an agreement, preferably in writing, acknowledging its secrecy and promising to respect it." *Hill Holliday Connors Cosmopulos, Inc. v. Greenfield*, 433 Fed. Appx. 207, 214 (4th Cir. 2011). "Unlike other assets, the value of a trade secret hinges on its secrecy. As more people or organizations learn the secret, the value quickly diminishes." *Laffitte v. Bridgestone Corp.*, 381 S.C. 460, 472, 674 S.E.2d 154,

161 (2009). Thus while some of Wilson's business practices may have been sharp and his conduct at times deceptive, there was insufficient evidence that his post-CCC activity was anything but legitimate competition by one who had superior knowledge of and wide contacts in the film industry.

Finally, CCC failed to prove its alleged damages were proximately caused by a misappropriation of the alleged trade secrets. The evidence merely demonstrated that Wilson was able to conduct business with some of CCC's former customers after his ouster from CCC. There was very little, if any, evidence that possession of CCC's customer information by Wilson was the proximate cause of any lost revenue experience by CCC.

D. **CCC's Claims for Civil Conspiracy.**

CCC failed to present sufficient evidence in support of its claims for civil conspiracy against Wilson, Neologic and Fresh Water. "[T]he tort of civil conspiracy contains three elements: (1) the combination of two or more people, (2) for the purpose of injuring the plaintiff, (3) which causes special damages." *City of Hartsville v. S.C. Mun. Ins. & Risk Fin. Fund*, 382 S.C. 535, 546 (2009). The damages element is also slightly different than other causes of action. *Pye v. Estate of Fox*, 369 S.C. 555, 568 (2006).

CCC maintained that Wilson's effort to obtain dissolution, which was funded by Norvell's companies, constituted a conspiracy to harm CCC. The evidence demonstrated that Wilson's efforts were in furtherance of his legal rights and not improper. Norvell's assistance was likewise not improper. Therefore, CCC's claim on this ground fails.

E. **Both Parties' Claims for Conversion.**

Both parties brought claims of conversion against the other. "Conversion is the unauthorized assumption and exercise of the right of ownership over goods or personal chattels belonging to another, to the alteration of the condition or the exclusion of the owner's rights. . . . [P]laintiff [must] establish either title to or right to the possession of the personal property." *Regions Bank v. Schmauch*,

354 S.C. 648, 667, 582 S.E.2d 432, 442 (Ct. App. 2003). Neither party proved that their chattel or property was converted.

F. **Prejudgment Interest.**

This court has not found any authority allowing prejudgment interest in a shareholder oppression case, but there is a Court of Appeals decision that did not allow it. *Dibble v. Sumter Ice and Fuel Co.*, 283 S.C. 278, 322 S.E.2d 674 (Ct. App. 1984). Decisions from other jurisdictions have denied prejudgment interest in oppression cases. See *Tifft v. Stevens*, 987 P.2d 1 (Or. Ct. App. 1999); see also *Jahn v. Kinderman*, 814 N.E.2d 116 (Ill. App. Ct. 2004). Wilson points to S.C. Code § 33-44-702(e), which provides that "[i]nterest must be paid on the amount awarded from the date determined under Section 33-44-701(a) to the date of payment." Wilson argues it would be unjust for the court, in the exercise of its equitable powers, to deny a remedy for his unlawful ouster and oppression that would be available for his lawful dissociation. However, prejudgment interest may only be awarded if "the sum is certain or capable of being reduced to certainty based on a mathematical calculation previously agreed to by the parties," and it is plain that the sum was never certain and that the parties did not agree to a mathematical calculation in advance. *Butler Contracting, Inc. v. Court Street, LLC*, 369 S.C. 121, 133, 631 S.E.2d 252, 258 (2006). The record is replete with disagreement on a number of issues which precluded determination of a readily ascertainable value on December 30, 2011. *See Historic Charleston Holdings, LLC v. Mallon*, 381 S.C. 417, 673 S.E.2d 448 (2009).

Wilson contends that denying prejudgment interest to a "squeezed out" shareholder but granting it to one merely disassociated creates an unwarranted disparity, and provides no deterrent to the majority's unfair treatment of the minority. The majority could therefore freeze out a minority shareholder, whose only recourse would be judicial dissolution, a remedy that has no prejudgment interest risk to the majority. Wilson's argument is properly addressed to the legislature rather than the courts.

G. **The Trade Secrets Statute.**

Under S.C. Code § 39-8-80, if "(1) a claim for misappropriation is made in bad faith,... the court may award reasonable attorney's fees to the prevailing party." Neologic/Freshwater cites the following alleged facts as supporting its claim of bad faith: (1) CCC never sought to protect trade secrets by way of a non-compete or confidentiality agreement; (2) CCC had no company policy or handbook evidencing the existence of, or attempt to, protect any trade secrets; (3) CCC took no steps to enjoin Wilson, Neologic/Freshwater from using alleged trade secrets; (4) CCC allowed its alleged trade secrets to be produced in response to a subpoena; (5) according to Mr. Campbell, CCC's trade secrets were publicly available on the Internet; and (6) CCC waited two years after Wilson left before it served Neologic and Freshwater. However, South Carolina law states that employees have a duty not to use or disclose trade secrets independent of and in addition to any written contract of employment or secrecy agreement. S.C. Code Ann. § 39-8-30. It is not required that a contract or secrecy agreement exist, and it is understandable that a very small company such as CCC did not have elaborate agreements in affect. Evidence shown at trial demonstrated that Neologic/Freshwater used CCC's confidential information and that CCC was justified in bringing the trade secrets claim. Finally, the convoluted history of the case and the actions of Wilson and Norvell delayed CCC from pressing the claims it decided to bring.

H. **Injunctive Relief.**

Wilson requests that the court grant injunctive relief requiring CCC to perform certain actions pending the buy-out of Wilson. The court declines to become a monitor for feared transgressions. Courts cannot be called upon to preemptively secure genies in bottles that may never be opened. It is precisely for this reason that a party seeking a preliminary injunction must show that "irreparable injury is likely in the absence of injunctive relief." *Winter v. Nat'l Resources Defense Council, Inc.*, 555 U.S. 7, 22 (2008). A party's fear of harm, however legitimate, is not enough if the object of the

harm, however damaging, is not likely to materialize. *See Holiday Inns of America, Inc. v. B & B Corp.*, 405 F.2d 614, 618 (3d Cir. 1969) ("The dramatic and drastic power of injunctive relief may be unleashed only against conditions generating a presently existing threat; it may not be used simply to eliminate the possibility of a remote future injury, or a future invasion of rights. ...") (Aldisert, J.); see also Wright & Miller, Federal Practice & Procedure, section 2948.1 (2013) ("Speculative injury is not sufficient, there must be more than an unfounded fear on the part of the applicant. ... A presently existing actual threat must be shown.").

IV. CONCLUSION

1. Plaintiff Wilson has proven by clear and convincing evidence his claim of minority shareholder oppression. Mr. Gandis and Ms. Comeau Shirley are ordered to purchase Wilson's 45% membership interest at fair value based on Catherine Stoddard's Adjusted December 30, 2011 valuation of CCC, less half of the excess of inventory (i.e., 1/2 of the $101,250.00 figure from Ex. 38 of Del Bradshaw's report), less 25% of the equipment's FMV due to moving costs, and less $50,000.00 for previous advances. In other words, the buyout amount for Wilson's distributional interest would be 45% of the adjusted December 30, 2011 value of CCC after these inventory and equipment adjustments are made, which totals $397,863.23, less $50,000.00 for previous advances, for a total buy-out figure of $347,863.23. The buy-out shall occur no later than March 1, 2015.

2. Plaintiff and the third party Defendants are entitled to judgment on Defendants' claims.

3. Wilson's claims for prejudgment interest and attorneys fees are denied.

IT IS SO ORDERED.

D. Garrison Hill
Circuit Judge

January 2, 2015
Greenville, South Carolina

Certified Copy
Paul B. Wilkerson
Clerk of Court C.P. & G.S.
Greenville County, S.C.
Dated 1-9-2015

STATE OF SOUTH CAROLINA COUNTY OF GREENVILLE David Wilson, individually and derivatively on behalf of Carolina Custom Converting, LLC, Plaintiff, -vs- John Gandis, Andrea Comeau-Shirley, ZOi Films, LLC, and DecoTex, LLC, Defendants, John Gandis and Andrea Comeau-Shirley, Third-Party Plaintiffs, -vs- Carolina Custom Converting, LLC, Third Party Defendant.	IN THE COURT OF COMMON PLEAS C.A. NO.: 2012-CP-23-02887 **ORDER**

RECEIVED
AUG 26 2015
SC Court of Appeals

2015 JUL 24 PM 4 41

Plaintiff David Wilson filed this Rule To Show Cause seeking a finding of contempt for Defendants John Gandis and Andrea Comeau-Shirley's failure to pay Wilson $347,863.23 for his membership interest in Carolina Custom Converting, LLC (CCC) as previously ordered. Defendants Gandis and Andrea Comeau-Shirely opposed the motion, arguing the order was stayed upon the filing of an appeal. Defendant CCC opposed being a party to any bond requirement because the money judgment was not against Defendant CCC, but only Gandis and Comeau-Shirley as individual members. The Court has considered the arguments of the parties, all of whom agree this court has jurisdiction to consider the issues at hand, and finds as follows:

1. This Court's January 2, 2015 and January 9, 2015 orders constitute a money judgment as provided in S.C. Code §18-9-130, and therefore an exception to the automatic stay under South Carolina Appellate Rule 241(b). However, under §18-9-130, this Court may stay enforcement of the judgment upon posting of a bond, and this Court hereby grants a stay upon the Defendants' posting of a bond or other surety in the amount of $347,863.23 within 30 days of the issuance of this Order.

2. Defendant Gandis is the manager of Defendant CCC, of which Plaintiff remains a member of CCC until his interest is purchased. Gandis and Comeau-Shirley have appealed, and argue that any obligation to pay Plaintiff for his membership share properly belongs to Defendant CCC. Because Gandis continues to manage CCC without Plaintiff's involvement and in light of the findings in the orders under appeal regarding shareholder oppression, requiring a bond is necessary to protect Plaintiff's interest. In addition, considering the unique circumstances of this case, requiring CCC to post bond protects Plaintiff should an appellate court decide that the obligation to pay Plaintiff for his membership interest properly rests with CCC, and the company—of which he is still a member, yet from whose affairs he is excluded—becomes insolvent or otherwise unable to pay the judgment should it be affirmed.

3. Defendant Gandis and Comeau-Shirley argue that the judgment is automatically stayed by the appeal and no exception applies. Even if Defendants are correct, this Court would still order the stay lifted unless Defendants post a bond or other undertaking. See Rule 241(c)(3), SCAR.

THEREFORE, Defendants shall post bond or other surety in the amount of $347,863.23 within 30 days which shall provide for payment to Plaintiff in the event that one or more of the Defendants is required to pay Plaintiff for the value of his interest in CCC as ordered after the appeal is concluded.

IT IS SO ORDERD.

July 22, 2015
Greenville, South Carolina

D. Garrison Hill
Circuit Judge

STATE OF SOUTH CAROLINA

COUNTY OF GREENVILLE

IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE

CASE NO: 2012CP2302887

David Wilson vs John Gandis

CHECK ONE:

☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.

☐ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

☐ **ACTION DISMISSED (*CHECK REASON*):** ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. Nonsuit); ☐ Rule 43(k), SCRCP (Settled); ☐ Other: _____

☐ **ACTION STRICKEN (*CHECK REASON*):** ☐ Rule 40(j) SCRCP; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other: _____

☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):** ☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other: _____

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED: ☐ See attached order. ☐ Statement of Judgment by the Court.

2015 JUL 24 PM 4 41

PAUL B. WICKENSIMER
G.C.C.P. & S.C.

Dated at Greenville, South Carolina, this

Court Reporter

PRESIDING JUDGE

This judgment was entered on the 24th day of July, 2015, and a copy mailed first class this 24th day of July, 2015, to attorneys of record or to parties (when appearing pro se) as follows.

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ATTORNEY(S) FOR THE DEFENDANT(S)

Paul B. Wickensimer Greenville County Clerk Of Court - Clerk of Court

CPFORM4M
SCCA SCRCP Form 4 Revised 06/2008

STATE OF SOUTH CAROLINA)
) IN THE COURT OF COMMON PLEAS
COUNTY OF GREENVILLE)
) C.A. NO.: 2012-CP-23-02887

David Wilson, individually and derivatively on behalf of Carolina Custom Converting, LLC,

Plaintiff,

-vs-

John Gandis, Andrea Comeau-Shirley, ZOi Films, LLC, and Carolina Custom Converting, LLC,

Defendants,

John Gandis and Andrea Comeau-Shirley,

Third-Party Plaintiffs,

-vs-

Carolina Custom Converting, LLC,

Third Party Defendant and Counterclaim Plaintiff,

-vs-

Dave Wilson, Steve Norvell, Neologic Distribution, Inc. and Fresh Water Systems, Inc.

ORDER DENYING DEFENDANT'S RULE 59 MOTION

FILED-CLERK OF COURT
GREENVILLE CO. S.C.
PAUL S. WICKENSIMER
2015 JAN 28 PM 3 30

Defendants' Rule 59 motion presents arguments previously argued and ruled upon, and is respectfully denied.

The previous factual findings are reaffirmed, based as they were on the court's finding that Mr. Wilson's testimony was credible on the key issues. Mr. Gandis' and Ms. Comeau-Shirley's testimony lacked credibility in most important respects.

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The evidence revealed that Mr. Gandis and Ms. Comeau-Shirley deliberately collaborated to oppress Mr. Wilson. Their conduct was unconscionable. They purposely created a toxic business environment with the goal of driving Mr. Wilson out.

Defendants' tightly controlled cabal to oust Mr. Wilson could serve as a script for minority shareholder oppression. Their story even contains ample hubris, and an important irony: they forgot Mr. Wilson was the partner who had the skills and contacts necessary to make the business work.

IT IS SO ORDERED.

D. Garrison Hill
Circuit Judge

January 28, 2015
Greenville, South Carolina

STATE OF SOUTH CAROLINA **JUDGMENT IN A CIVIL CASE**

COUNTY OF GREENVILLE **CASE NO: 2012CP2302887**

IN THE COURT OF COMMON PLEAS

David Wilson *vs.* **John Gandis**

FILED-CLERK OF COURT
GREENVILLE CO. S.C.
PAUL B. WICKENSIMER
2015 JAN 28 PM 3 30

CHECK ONE:

☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.

☐ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

☐ **ACTION DISMISSED (*CHECK REASON*):** ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. Nonsuit); ☐ Rule 43(k), SCRCP (Settled); ☐ Other: _____

☐ **ACTION STRICKEN (*CHECK REASON*):** ☐ Rule 40(j) SCRCP; ☐ Bankruptcy:

☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award;
☐ Other: _____

☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):**
☐ Affirmed; ☐ Reversed; ☐ Remanded;
☐ Other: _____
NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED: ☐ See attached order; ☐ Statement of Judgment by the Court:

NOTICE

This is a notice to you that an Order Denying Defendant's Rule 59 Motion in this case has been filed in the Clerk of Court's Office. To obtain a certified copy, you may contact our office by phone (864) 467-8551 or email a request to cnoblitt@greenvillecounty.org. If you would like a copy via email, please provide a valid email address.

Dated at Greenville, South Carolina, this 28th day of January, 2015.

PRESIDING JUDGE -

Mason A. Goldsmith PO Box 1887 Greenville, SC 29602
Daniel L. Draisen 207 E. Calhoun St. Anderson, SC 29621
Larry Lee Plumblee Eppes & Plumblee, P.A. P.O. Box 10066 Greenville, SC 29603
Steven E. Farrar Smith Moore Leatherwood LLP P.O. Box 87 Greenville, SC 29602
Thomas L. Stephenson 207 Whitsett St Greenville, SC 29601
Burl F. Williams PO Drawer 10648 Greenville, SC 29603
Bruce Bellinger Campbell 307 Pettigru Street Greenville, SC 29601

W. Andrew Arnold 712 E. Washington St. Greenville, SC 29601

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

Paul B. Wickensimer Greenville County Clerk Of Court

CPFORM4M
SCCA SCRCP Form 4 Revised 06/2008

STATE OF SOUTH CAROLINA COUNTY OF GREENVILLE David Wilson, individually and derivatively on behalf of Carolina Custom Converting, LLC, Plaintiff, -vs- John Gandis, Andrea Comeau-Shirley, ZOi Films, LLC, and DecoTex, LLC, Defendants, John Gandis and Andrea Comeau-Shirley, Third-Party Plaintiffs, -vs- Carolina Custom Converting, LLC, Third Party Defendant.	)	IN THE COURT OF COMMON PLEAS C.A. NO.: 2012-CP-23-02887 **PROTECTIVE ORDER** **ENTERED COMPUTER**

FILED-CLERK OF COURT
GREENVILLE CO. S.C.
2012 NOV 26 PM 3:43

This matter is before on the Court on Plaintiff's Motion to Compel Discovery and upon Third-Party Defendant's Motion to Quash or to Modify Subpoena. The Plaintiff, Defendants, and Third-Party Defendant Carolina Custom Converting, LLC, having consented to on order for the production of certain information requested by Plaintiff, but recognizing the confidential and sensitive nature of the information being produced, and having agreed to conditions governing the disclosure and use of said information,

NOW, THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

1. Within 10 days of the date of this order, Third-Party Defendant Carolina Custom Converting, LLC will produce to counsel for Plaintiff all e-mails (including attachments) and correspondence requested in the subpoenas issued by Plaintiff on August 29, 2012 and October 29, 2012, which are not subject to the attorney-client privilege; moreover, should a document be withheld subject to a privilege, CCC shall produce a privilege log identifying each email and/or document withheld by date, sender, recipient and basis for assertion of privilege;

2. Within 5 days of the date of this Order, Third-Party Defendant will produce to Plaintiff the following information in the uncondensed electronic QuickBook back-up file type (.qbb file extension) and any passwords necessary to access such information:

a. Complete QuickBooks report of all transactions of owner's equity from inception of the Third-Party Defendant until the present date;

b. Complete 2011 and 2012 QuickBooks Account Registers for any and all accounts maintained by Third-Party Defendant in QuickBooks.

3. Information produced pursuant to this Order may be viewed by and disclosed only to the parties, their counsel, retained experts, and the staff of counsel for the parties involved in the prosecution of this action. Information produced pursuant to this Order may be used solely for the purpose of prosecuting and defending this action and may not be used or disclosed by any party to any person or entity other than those designated above nor may it be use by any party to gain competitive advantage in the marketplace nor for any other purpose.

3. Dave Wilson shall not solicit any customer or contact any supplier of CCC who was not known to him ~~when he was locked out of CCC~~ on January 17, 2012, which shall be presumed to be any customer and/or supplier who did not transact business with CCC prior to January 17, 2012.

~~4. John Gandis, as managing member of CCC, shall pay to W. Andrew Arnold~~ JHA

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~~$937.00 as reasonable attorneys fees unnecessarily incurred as a result of its failure to comply with the subpoena.~~

AND IT IS SO ORDERED.

D. Garrison Hill
Judge, Thirteenth Judicial Circuit

November 14, 2012

STATE OF SOUTH CAROLINA

COUNTY OF GREENVILLE

IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE

CASE NO: 2012CP2302887

David Wilson *vs.* John Gandis

CHECK ONE:

☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.

☐ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

☐ **ACTION DISMISSED (*CHECK REASON*):** ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. Nonsuit); ☐ Rule 43(k), SCRCP (Settled); ☐ Other: _____

☐ **ACTION STRICKEN (*CHECK REASON*):** ☐ Rule 40(j) SCRCP; ☐ Bankruptcy:

☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award;
☐ Other: _____

☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):**
☐ Affirmed; ☐ Reversed; ☐ Remanded;
☐ Other: _____

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED: ☐ See attached order, ☐ Statement of Judgment by the Court:

Dated at Greenville, South Carolina, this 26th day of November, 2012.

Court Reporter:

PRESIDING JUDGE - D Garrison Hill

This judgment was entered on the 26th day of November, 2012, and a copy mailed first class this 26th day of November, 2012, to attorneys of record or to parties (when appearing pro se) as follows:

W. Andrew Arnold 712 E. Washington St. Greenville, SC 29601

ATTORNEY(S) FOR THE PLAINTIFF(S)

Mason A. Goldsmith PO Box 1887 Greenville, SC 29602
Daniel L. Draisen 207 E. Calhoun St. Anderson, SC 29621
John Robert Devlin Jr. Devlin & Parkinson, P.A. P.O. Box 10387 Greenville, SC 29603
Larry Lee Plumblee PO Box 10066 Greenville, SC 29603

ATTORNEY(S) FOR THE DEFENDANT(S)

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SCCA SCRCP Form 4 Revised 06/2008

Complex case

STATE OF SOUTH CAROLINA COUNTY OF GREENVILLE David Wilson, individually and derivatively on behalf of Carolina Custom Converting, LLC, Plaintiff, -vs- John Gandis, Andrea Comeau-Shirley, and ZOi Films, LLC, Defendants, John Gandis and Andrea Comeau-Shirley, Third-Party Plaintiffs, -vs- Carolina Custom Converting, LLC, Third Party Defendant.	IN THE COURT OF COMMON PLEAS C.A. NO.: 2012-CP-23-02887 **ORDER**

FILED-CLERK OF COURT
GREENVILLE CO. S.C.
PAUL B. WICKENSIMER
2013 OCT 28 AM 9 41

THIS MATTER came before the Court upon the Plaintiff's motion to compel production of all hard drives and other electronic storage drives of Defendant Andrea Comeau-Shirley's as well as production of emails and other correspondence between Defendants and attorneys for CCC, LLC John Zamer and William Floyd. Defendants filed a motion for a protective order asking the court to prevent the production of this information. Plaintiff submitted an affidavit of Catherine Stoddard in support of its motion. No affidavits were submitted on behalf of Defendants. The affidavit raised numerous concerns about manipulation of electronic information by Defendant Andrea Comeau-Shirley. A hearing was heard on this matter on June

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26, 2013. The court considered all the arguments and evidence presented, and grants Plaintiff's motions as follows.

It is therefore ORDERED, ADJUDGED and DECREED as follows:

1. Defendant Andrea Comeau-Shirley shall produce each computer, drive, and/or device which contains any electronically stored information related to CCC, LLC, and/or Zoi Films, LLC to Plaintiff ~~on October 18, 2013, or~~ at ~~such other~~ an agreed upon time, in accordance with the following process. 6/4

A. Jeremy Gilbert of Dixon Hughes Goodman has been engaged by Dave Wilson at as a third-party expert to provide forensic services consisting of imaging and analyzing Defendant Shirley's computers, drives and devices. Defendant Shirley shall deliver the computers, drives and devices to Dixon Hughes Goodman office in Greenville, SC by 10:30 am.

B. Mr. Gilbert will take a forensic image of Defendant Shirley's personal computer using customary and typical forensic processing. Defendant Shirley and/or her legal counsel may observe the imaging. Mr. Gilbert will complete the imaging by no later than 5 pm on the day of production and release the computers, drives and/or devices to her.

C. Mr. Gilbert will search for:

i. electronic mail sent to or received from runzoi@yahoo.com john@ccc-films.com, steve@zoifilms.com, brian@zoifilms.com, and andy@zoifilms.com.

ii. electronic mail sent to and from namasteconsult@bellsouth.net, and which contain the one of the following terms:

a. CCC
b. ZOi
c. Dave Wilson
d. inventory
e. scrap
f. Zamer
g. Floyd
h. thin gauge
i. BOPP
j. PET
k. Elving

Filed # 204

l. Cunningham
m. Mayfield
n. Shaw
o. Gandis
p. Hangzhou
q. QuickBooks
r. slitter
s. Eastern Films
t. M-Tech

ii. Materials on the hard drive of the computer containing any of the files or search terms listed above in (C)(ii).

D. After searching and before going any further or allowing anyone else access, Mr. Gilbert will provide a verbal report to Steven E. Farrar (864-240-2433) within 5 days of imaging detailing the results of his forensics search before providing any results to Plaintiff's counsel to allow Defendant's counsel the opportunity to object to any material that was inadvertently or improperly processed outside the terms of this agreement.

E. Mr. Gilbert is hereby instructed that, other than as provided in "D." above, he is not to provide any information of any type to anyone else including, but not limited to, any other employee or partner of Dixon Hughes Goodman LLP. He is not to share the results of, or discuss, the search with anybody other than as identified herein. Further, he may not retain any images from the computers being examined except as otherwise provided herein and must delete all images gathered when instructed by counsel for both parties or no later November 1, 2013. **THIS ORDER IS TO BE PROVIDED BY PLAINTIFF'S COUNSEL TO MR. GILBERT AND CATHERINE STODDARD BEFORE OCTOBER 31, 2013.**

E. Defendant's counsel reserves the right to visually inspect the results of the forensics search before they are produced to Plaintiff's counsel. Mr. Gilbert shall make the materials available either in hard form or electronically and Defendant's counsel shall review the items within 3 business days of receipt of the same from Mr. Gilbert. Any items that Defendants objects to shall be placed in a separate file for *in camera* review by the Court to determine whether the items should be produced to Plaintiff's counsel. Assuming Defendant's counsel has no objections to the materials to be provided as a result of the forensics search or for those documents which Defendant's counsel does not designate for *in camera* review, the results of the search shall be made available to all counsel either upon acknowledgement of Defendant's counsel or the passing of more than three business days without notice of Defendant's objection under this provision.

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E. Further inspection may be warranted depending on the results of this initial search any dispute regarding additional searches may be presented to the court if the parties are unable to agree.

F. Plaintiff will bear the expense of all forensic review of the computers and drives, however, Plaintiff may petition this court for an award of costs if such review provides good cause for an award of such search costs.

2. Defendants John Gandis and Andrea Comeau-Shirley shall produce all correspondence and/or communications, email, letters, and memorandums to and from John Zamer and William Floyd to this court for an *in camera* review. Such documents shall be produced within 15 days of this order. If the court determines that the correspondence is relevant to any of the claims in this matter and can be produced without violating a privilege, the court will require production of such correspondence/communications.

AND IT IS SO ORDERED.

Judge Garrison Hill
Circuit Court Judge, 13th Judicial Circuit

October 28 2013

STATE OF SOUTH CAROLINA

COUNTY OF GREENVILLE

IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE

CASE NO: 2012CP2302887

David Wilson *vs.* John Gandis

FILED-CLERK OF COURT
GREENVILLE CO. S.C.
PAUL B. WICKENSIMER
2013 OCT 28 PM 1:11

CHECK ONE:

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☐ **ACTION STRICKEN (*CHECK REASON*):** ☐ Rule 40(j) SCRCP; ☐ Bankruptcy:

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☐ Affirmed; ☐ Reversed; ☐ Remanded;
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IT IS ORDERED AND ADJUDGED: ☐ See attached order; ☐ Statement of Judgment by the Court:

NOTICE

This is a notice to you that an Order on Plaintiff's Motion to Compel in this case has been filed in the Clerk of Court's Office. To obtain a certified copy, you may contact our office by phone (864) 467-8551 or email a request to cnoblitt@greenvillecounty.org. If you would like a copy via email, please provide a valid email address.

Dated at Greenville, South Carolina, this 28th day of October, 2013.

Court Reporter:

PRESIDING JUDGE -

Mason A. Goldsmith Elmore Goldsmith, PA P.O. Box 1887 Greenville, SC 29602
Daniel L. Draisen 207 E. Calhoun St. Anderson, SC 29621
Larry Lee Plumblee Eppes & Plumblee, P.A P.O. Box 10066 Greenville, SC 29603
PCIKED UP HARD COPY:
Steven E. Farrar Smith Moore Leatherwood LLP P.O. Box 87 Greenville, SC 29602

W. Andrew Arnold Law Office Of W. Andrew Arnold, P.C. 712 E. Washington Street Greenville, SC 29601

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

Paul B. Wickensimer Greenville County Clerk Of Court - Clerk of Court

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GREENVILLE CO. S.C.
PAUL S. WICKENSIMER
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STATE OF SOUTH CAROLINA)
) IN THE COURT OF COMMON PLEAS
COUNTY OF GREENVILLE)

David Wilson, individually and derivatively on behalf of Carolina Custom Converting, LLC, Plaintiff, -vs- John Gandis, Andrea Comeau-Shirley, Zoi Films, LLC and Deco-Tex, LLC, Defendants.	**ORDER FOR ACCOUNTING** C.A. No. 2012-CP-23-2887
John Gandis and Andrea Comeau-Shirley, Third-Party Plaintiffs, -vs- Carolina Custom Converting , LLC, Third-Party Defendant.	

The matter is before the Court on various Motions and as a result of Status Conference held by the Court with counsel for the parties on August 26, 2013. The Court has determined that an accounting, as more fully described below, will assist the ultimate trier of fact.

By way of exchanged proposed orders each party has had the opportunity to identify issues which they presently believe exist as relate to accounting and the financial books and records of Carolina Custom Converting, LLC and Zoi Films, LLC. As a result of input from all parties, the Court has been made aware of the following issues and seeks the services of an

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independent accountant to assist it in evaluating the significance of those issues. Consequently, the Court will appoint an accountant to do an accounting on the following topics:

1. For years 2008 through 2013 (hereinafter the "Relevant Period"), reconcile gross revenue, Cost of Goods Sold, and net income between QuickBooks, the tax returns, and any printed financial statements for Carolina Custom Converting, LLC (hereinafter CCC) and ZOi Films, LLC (hereinafter Zoi). Provide an opinion as to the following: A) Are the existing reconciling items appropriate? B) Are the reconciled items common accounting adjustments that you would expect? C) Are the financial records consistently presented between the years and if not, are there justifiable reasons for the differences? D) Were adjustments made through journal entry or through detailed transaction records? E) Did the type and manner of adjustments change after 2010 and, if so, how?
2. Compare CCC's income statement as of August 1, 2011, before Dave Wilson left CCC, to financial records after August 1, 2011. A) Did the reported financial results of CCC materially change after August 1, 2011? If so, how? B) Was the manner of adjustments and were the types of adjustments appropriate? C) Is the accounting activity and are adjustments consistent with previous periods before August 2011 or is there a justifiable reason for the differences? E) Is CCC's QuickBooks a reliable source to determine the financial activity of CCC, history of operations, and financial position of CCC? F) What is the net effect of these adjustments on the balance sheet and income statement of CCC? G) Are the adjustments recorded to the appropriate time period? H) Describe the impact of the timing of the adjustments on partner's capital accounts and taxes.
3. What are the revenues, costs of goods sold and profit/losses for the years ending 2009 to 2012 (the "relevant Period"), for Carolina Custom Converting, LLC and Zoi Films, LLC

4. What accounting adjustments were made to any of the CCC and Zoi balance sheet accounts and were those adjustments materially accurate, appropriate or justified in light of the accounting rules? Included in this issue is the examination of all adjusting journal entries.
5. Were there significant market changes in the slit film industry or within the companies' business models during the Relevant Period which would have an impact on the profitability of Carolina Custom Converting, LLC or Zoi Films, LLC?
6. Reconcile inventory, including scrap and credit memos, as recorded in QuickBooks from December 31, 2010 to current. Provide a list of unusual transactions or QuickBooks entries including zero sales, sales below original cost, credit memos for material that was not returned to inventory, and sales significantly below average selling prices. Test identified unusual transactions to source documents, including shipping records.
7. Were the adjustments to inventory and other assets during the Relevant Period appropriate and do any additional adjustments need to be made?
8. Was the allowance for doubtful accounts appropriate and is the memorandum explanation for bad debt reserve reasonable?
9. What are the professional fees paid and accrued by CCC and Zoi for the Relevant Period and to whom were they paid?
10. Summarize all benefits and payments, whether paid or accrued, that either directly or indirectly benefitted one of the members of Zoi or CCC, and/or entities owned and/or controlled by the members of CCC and/or Zoi during the Relevant Period.

11. Were there rental or tenant improvements to the property in question during the Relevant Period? Who paid for the improvements? Are any of the improvements included as assets on CCC's balance sheet?

12. Was the consolidation of accounts between Carolina Custom Converting and Zoi proper?

13. Do you see an indication of any assets or sales being diverted to or by any of the members (Wilson, Gandis and/or Comeau-Shirley), any inappropriate charges being made to the companies by any of the members and/or any instances of self-dealing by the members of CCC and/or Zoi?

14. Provide a roll-forward of fixed assets from December 31, 2010. Test the roll-forward against source documents.

15. Summarize all transactions between Zoi and CCC, whether or not reflected in QuickBooks and determine the extent to which Zoi activity has been reflected in the QuickBooks and other financial records of CCC. Summarize Zoi activity to the extent it was not included in CCC.

16. Test the payroll bank account, payroll balance sheet accounts, and payroll expense accounts against payroll records and payroll tax returns during the relevant period. Provide a summary of unusual transactions and their impact on the financial statements of CCC.

17. Provide normalized, restated balance sheet and income statements for years 2008 through 2013 based on the results of your analysis above. Show all amounts paid to or on behalf of members, or accrued for their ultimate benefit as disputed adjustments to the member capital accounts also taking into account any loans made by any of the members and any fees owed to members. Describe any unresolved problems or concerns with this analysis

and additional information that would be needed or procedures that would need to be performed to complete said analysis.

18. Assist in the preparation and calculation of any December 31, 2012, year-end accruals which have yet to be recorded.

As part of the process, the Court appoints Mr. Del Bradshaw, CPA of Bradshaw, Gordon and Clinkscales, LLC, as the accountant to address these questions. The Court will determine the appropriate parties to pay Mr. Bradshaw's fees once the report is received.

The Court further directs that Mr. Bradshaw or his designee(s) (1) shall have access to the accounting and banking records for Carolina Custom Converting, LLC and Zoi Films, LLC; (2) may interview David Wilson, John Gandis, and Andrea Comeau-Shirley; (3) may speak with any party or witness and may initiate *ex parte* communications if in his discretion such would be beneficial to his review. The parties, their legal counsel and expert witnesses shall not initiate *ex parte* communications with Mr. Bradshaw. In addition, the accountant shall have access and the right to interview any other person who he believes will assist him, including the company bookkeepers.

Mr. Bradshaw shall report back to the Court by ~~November 20~~ December 1, 2013. If for whatever reason Mr. Bradshaw requires additional time, notice will be provided to the parties. The parties shall cooperate with Mr. Bradshaw and his firm, and comply with his requests in a timely manner. Failure to do so may result in sanctions.

Attached as Exhibit A to this Order, and incorporated herein, is an initial list of items requested by Mr. Bradshaw. These items shall be delivered to Mr. Bradshaw on or before ~~October 20~~ November 5, 2013.

AND IT IS SO ORDERED.

D. Garrison Hill

D. GARRISON HILL
JUDGE, THIRTEENTH JUDICIAL
CIRCUIT

Dated: October 21 2013
Greenville, South Carolina

Attachment of Request Items for "Order of Accounting"

1. All bank statements (including cancel checks and deposit records) for all accounts of Carolina Custom Converting, LLC (CCC) and its subsidiary or, its brother/sister entity, Zoi Films, LLC (ZOI). For the years 2010, 2011, 2012 and 2013
2. Back up copy of accounting software for CCC and ZOI (QuickBooks, Intuit product, noted as software used). For the years 2008, 2009, 2010, 2011, 2012 and 2013
3. Provide a description of products or services provided by CCC and ZOI.
4. Provide a list of all related parties and entities to CCC and ZOI and the owners of CCC and ZOI, (management companies, family members employed or paid by the Companies, real estate companies, consulting companies, accounting companies, etc.); describe the relationship.
5. Provide a list of all related party transactions and amounts between the owners of CCC, ZOI and all other related entities for the years 2008, 2009, 2010, 2011, 2012 and 2013.
6. Provide a list of all related party transactions and amounts between CCC, ZOI and all other related entities for the years 2008, 2009, 2010, 2011, 2012 and 2013. .
7. Payroll tax returns for both CCC and ZOI for years 2010, 2011, 2012 and 2013. Including forms 1096, 1099's, W-3 and W2's.
8. Detailed sales and cost of sales records for both CCC and ZOI for the years 2008, 2009, 2010, 2011, 2012 and 2013.
9. Provide a complete customer and vendor list for CCC and ZOI.
10. Provide the top 10 customers with names and sales volume for each of CCC and ZOI for the years 2008, 2009, 2010, 2011, 2012 and 2013.
11. Provide the top 10 vendors with names and amount paid to each for CCC and ZOI for the years 2008, 2009, 2010, 2011, 2012 and 2013.
12. Detailed inventory records for CCC and ZOI for the years 2008, 2009, 2010, 2011, 2012 and 2013, including year-end fiscal counts and reconciliations. Describe how inventory is managed and accounted for during the year and at year-end.
13. All vender invoices relating to professional services/fees provided to CCC and ZOI for the years 2008, 2009, 2010, 2011, 2012 and 2013
14. All rental/lease agreements, management contracts with an analysis of these expenses for the years 2008, 2009, 2010, 2011, 2012 and 2013
15. Financial statements and entity tax returns for CCC and ZOI for the years 2008, 2009, 2010, 2011, 2012 and 2013.
16. Items listed in the "Order for Accounting" summons

There may be additional requests made for supporting documentation once the above items have been reviewed.

STATE OF SOUTH CAROLINA COUNTY OF GREENVILLE	IN THE COURT OF COMMON PLEAS
David Wilson, individually and derivatively on behalf of Carolina Custom Converting, LLC,, Plaintiff, vs. John Gandis, Andrea Comeau-Shirley, ZOi Films, LLC, and Carolina Custom Converting, LLC, Defendants,	Civil Action No. 2012-CP-23-02887 **CERTIFICATE OF SERVICE**

This is to certify that copies of the foregoing CCC's Rule 59 Motion for New Trial has been served upon the following counsel of record by US Mail this 20th day of January, 2015.

W. Andrew Arnold, Esquire,
Law Office of W. Andrew Arnold, P.C.
712 E. Washington Street
Greenville, South Carolina 29601
aarnold@aalawfirm.com

Bruce B. Campbell, Esquire
307 Pettigru Street
Greenville, South Carolina 29601
Bcampbell@hortonlawfirm.net

NEXSEN PRUET, LLC

STATE OF SOUTH CAROLINA COUNTY OF GREENVILLE	IN THE COURT OF COMMON PLEAS
David Wilson, individually and derivatively on behalf of Carolina Custom Converting, LLC, Plaintiff, vs. John Gandis, Andrea Comeau-Shirley, ZOi Films, LLC, and Carolina Custom Converting, LLC, Defendants, Carolina Custom Converting, LLC, Counterclaim Plaintiff, vs. Dave Wilson, Steven Norvell, Neologic Distribution, Inc., and Fresh Water Systems Inc., Counterclaim Defendants.	Civil Action No. 2012-CP-23-02887 **RULE 59 MOTION FOR NEW TRIAL AND OR RECONSIDERATION**

John Gandis ("Gandis"), Andrea Comeau-Shirley ("ACS"), and Carolina Custom Converting, LLC (collectively referred to hereinafter as "Defendants") move this Honorable Court, pursuant to Rules 59(a),(c), & (e), SCRCP, to take new testimony and/or for reconsideration of this Court's Order.

Gandis and ACS acknowledge that David Wilson ("Wilson") has been excluded from the business for three years. But they maintain that Wilson was not oppressed. Wilson filed this lawsuit, alleging oppression, three months after he left CCC. Wilson's complaint and amended complaints alleged all manner of wrongdoing against Gandis and ACS, and they have simply

attempted to defend themselves against these attacks over the course of the last three years. If the Court concludes oppression existed, Gandis and ACS request that the Court reconsider the date for valuation of Wilson's interest and/or give weight to the valuation when Gandis and ACS agreed to sell their interest to Wilson during December 2011 and January 2012.

Gandis and ACS request that the Court reconsider its ruling requiring Gandis and ACS to personally buy-out Wilson's membership interest. Gandis and ACS submit that, consistent with their representations to the Court, the Company should be obligated to purchase Wilson's membership interest. Gandis and ACS rely upon the Reporter's Comments to S.C. Code Ann. § 33-44-801 to support their position.

Defendants request that the Court reconsider its ruling concluding that Wilson fully disclosed the existence and substance of the disputed accounts. Defendants note that the evidence showed that Wilson did not limit his activities to just three accounts. Further, Defendants submit that new testimony should be taken, pursuant to Rule 59(a), SCRCP, to explore Wilson's contention that Modular Metal was an "import" account as found by this Court. Defendants include the affidavit of Gandis on this issue pursuant to Rule 59(c), SCRCP.

Defendants request that the Court reconsider its application of the law respecting the South Carolina Trade Secret Act claims.

I. Shareholder Oppression

The Court concluded that Wilson proved his claim for shareholder oppression, and valued his membership interest at the end of 2011. In reaching this conclusion, Defendants respectfully submit that the Court overlooked or misapprehended critical pieces of evidence that should cause this Court to reconsider its ruling. Accordingly, Defendants move this Court to reconsider its conclusion that Wilson proved shareholder oppression.

A. The Court's Factual Findings:

- $8,000.00 per month: The Court concluded there was an agreement to pay Wilson, $8,000.00 per month, beginning in July of 2008, for the life of the Company, and that Defendants sought to "squeeze" Wilson by threatening to take this payment away, and ultimately ceasing this monthly payment. (Order, p. 6-7).
    - Defendants denied the $8,000.00 was a guarantee and presented evidence it was only guaranteed for the very beginning of the venture. Wilson's own words confirm this understanding.
    - Defendant's Exhibit 31: April 13, 2009 email from Wilson to Gandis, cc ACS:
        - "The payments I received last year was basically a salary which I required since I was taking my customers from EFS and putting them into CCC reducing my ability to earn a living. John, you agreed to not take any money out initially since cash flow was tight. This was helpful. Now that the company is profitable and cash flow is better, we are both pulling out money each month which is in the form of a distribution . . . ."
    - Regardless, Wilson did not produce a written agreement that provided he would receive $8,000 per month; accordingly, this finding likely violates South Carolina's statute of frauds. S.C. Code Ann. § 32-3-10.
- Tax Distributions: The Court concluded that Gandis wrongfully paid down a line of credit used by CCC, upon which he was personally obligated, as opposed to keeping cash available for tax distributions to Wilson in priority over the other members. (Order, p. 6).
    - Defendants deny that paying off debt was wrongful. Wilson agreed that the company should operate the company without debt. Defendant's Exhibit 31: April 13, 2009 email from Wilson to Gandis, cc to ACS:
        - "I think we need to have a plan for distributions that we both agree on and that makes sense for us to operate the company without debt. I don't know what that should look like but I think we should have some idea so we can plan our personal finances based on how the business is doing."
    - Defendants also showed at trial that Wilson received extra cash distributions to cover future taxes.

- Managing the money supply to make it appear cash was more limited: The Court concluded that Defendants managed the money supply in a way to understate available cash. (Order, p. 6).
    - Plaintiff presented e-mail correspondence to the Court to attempt to prove this claim, but the e-mail correspondence showed that the claimed wrongful act of "managing the money supply" was simply paying off over $360,000 in debt. *See* Plaintiff's Ex. 59, p.3 (noting CCC generated about $500,000 in cash in 2011 but had to spend $361,459 to pay off its debts).
- Monitoring Wilson's email: The Court concluded that Defendants wrongfully monitored Wilson's "private emails." (Order, p. 6).
    - The only e-mails that were monitored were Wilson's "@ccc-films.com" address; these were not private emails.
    - Defendants presented evidence that these emails were monitored because Wilson was caught usurping corporate opportunities in December 2010.
- Limiting Wilson's Access to Financials: The Court concluded that Defendants wrongfully limited Wilson's access to CCC financials, (Order, p. 6), and only provided financials when the "court compelled Defendants to produce such information." (Order, p.10).
    - Plaintiff presented evidence that Wilson's access to financial information—that is, full access to "quickbooks"—was limited. Plaintiffs Ex. 85. But the limitation did not occur until January 5, 2012, and it only occurred because Gandis and ACS learned that Wilson was talking to a CCC competitor (FilmTech) without running that action by them. *Id.* Consequently, the limitations were for the sole purpose of protecting CCC's confidential information.
    - During this case, Defendants resisted providing electronic "quickbook" information to Wilson based upon their desire to maintain the confidential vendor and customer information contained in the same. *Cf.* S.C. Code Ann. §§ 39-8-60(C),(E).
    - On November 26, 2012, this Court issued a protective order related to the electronic "quickbook" information, and Defendants produced the same pursuant to the protective order. At the June 24, 2014 summary judgment hearing,

Defendants produced evidence of apparent protective order violations. Further, Gandis testified that NeoLogic/Fresh Water were utilizing an obscure film manufacturer in China that CCC began purchasing from well after Wilson's departure.

- Further, the evidence showed that Wilson received exhaustive financial information related to the buy-out discussions in December 2011-January 2012, and again during the December 2012 "offer."

- Manipulating the December 2012[1] balance sheet: The Court concluded that Defendants manipulated the December 2011 balance sheet to devalue Wilson's interest. (Order, p. 7).
  - The Court's expert did not find that Defendants did anything materially wrongful with regard to the year-end balance sheet. Indeed, Defendants expressly told Wilson that they would accept an offer to buy them out based upon the same balance sheet. Defendants' Exhibit 154. While Gandis hoped to include the real property used by CCC in the deal, and ACS hoped to receive extra consideration for her work over and above a 10% non-voting member, the fact remains that the balance sheet used in valuing their respective interests was the same for the valuation of Wilson's interest.
- Forming ZOi to compete with CCC and siphon profits: The Court concluded that ZOi was formed to siphon profits from CCC. (Order, p. 7).
  - As the Court correctly noted during the trial, ZOi was formed after Wilson left CCC. E-mail correspondence between ACS and Gandis' father (regarding the need to secure a line of credit for ZOi) detail its intended operations—that is, the e-mail shows that ZOi was intended to be the new company following the hoped for amicable wind down of CCC. Plaintiff's Ex. 113: July 20, 2012 email:
    - "As there likely won't be new film purchases [for CCC] (there are some open POs still to be fulfilled) – this cash [from collecting CCC AR] should allow CCC to pay all its vendors and . . . if we do this right, have cash left over – which would be divisible amongst the owners. The first portion of cash goes to John (and Me) to catch us up to the cash that Dave has

[1] This is likely a scrivener's error, as Wilson took issue with the December ***2011*** balance sheet.

already received (via loans) from CCC. Any excess would be divided appropriately -- the court &/or the attorneys will guide us as to how to properly settle matters with Dave so it can all be done. *Id.* at p. 3 (second paragraph).

- "As you may know, we have been taking monthly physical inventory since May. Our next one is scheduled for Friday August 3rd. After this tally – we will deliver that tally to Dave (and continue to do so for each month-end throughout the year). As Dave is also out there selling film again for his new employer, it is [in] CCC's best interest to have his new employer buy film from us and help us to wrap up CCC more quickly." *Id.* (fourth paragraph).

  - Wilson's litigation strategy, however, made sure that a swift resolution of CCC would never happen. *See generally* Motion to Exclude Expert Witness Stoddard (attached as *Exhibit A*).
  - In short, Plaintiffs own evidence confirms that ZOi was ***not*** intended to siphon profits.

- Management Decisions: The Court found fault in various management decisions: removing Wilson from signatory authority on the operating account, removing his ability to make wire transfers for the company, and expensing repairs to the CCC facilities as rent as opposed to balance sheet items. (Order, p. 6-7).
  - Gandis was the manager of CCC; these actions were properly exercised by the manager of the company.
  - As for the management of the banking activities, Plaintiff never presented any testimony that he previously had check signing or wire transfer authority.
  - But even assuming these actions were not properly made by the manager, these actions do not support a claim for minority shareholder oppression.
- Freeze His Capital Account: The Court found ACS' email comment that Wilson's capital account would be frozen as confirmatory evidence for its ultimate legal conclusions. (Order, p. 10). Respectfully, the comments must be considered for the purpose they were made—the proposed member modification designed to eliminate Wilson's tax liabilities.

The context of that quote begins with the first e-mail. Plaintiff's Ex. 48, p.2: October 24, 2011:

- In the first e-mail ACS lists all of the cash that Wilson had gotten out of CCC since its inception. The number was large and included a car (Lexus) that CCC purchased for Wilson.
- In the next email Gandis responded that he was not sure what to do with those numbers, and how to allocate the loans. *Id.* at p.2.
- ACS then responds (frustrated): "NO – you don't need to decide how much is the loan." The context for this email is her proposed solution to Wilson's tax burden and her efforts to reduce the same ***if*** he converted from an owner to an employee. His capital account would be frozen, according to ACS's suggestion, because it would not be reduced as per her proposal and any excess cash flow would go "FIRST to partner distributions, second to guaranteed payment and third towards any payment to Dave." *Id* at p.1. But these statements expressly assumed that Wilson would be an employee receiving a "salary/bonus combination." *Id.* at p.1.
    - In this context Wilson would never have left the company and would have received salary and benefits and continued participation in the growth of the company. See Defendants' Ex. 55, p.3.
- In contrast to the frozen capital account, consider an e-mail sent three weeks later. Plaintiff's Ex. 62: November 13, 2011 between Gandis and ACS:
    - The context for this e-mail was Gandis had just finished meeting with Wilson to discuss his future at CCC and which of the three options, *see* Def. Ex. 55, that he was open to choosing.
    - Gandis: question: "Following my meeting with Dave -- I have a new guess . . . What if he decides to not change anything in our structure – but rather . . . 'do nothing' – but leave to get another job? Or go back to selling film with Eastern Film? Would we have to prove that he was never 'an owner'? Just thinking out loud.
    - ACS: answer: "Then we will form a new company – buy all the assets from CCC subject to the liabilities – distribute to Dave his final check in

liquidation of his interest – and all the new business will be done in a new company.

- This is exactly what Gandis and ACS tried to do from the very beginning of this lawsuit. *See* ZOi discussion, *supra*. Wilson wouldn't allow it to happen. He pursued a scorched earth litigation strategy against these individuals, alleging all manner of fraud and wrongdoing, seeking actual and punitive damages. Years later, after the Court's expert issued its report and findings and after Gandis and ACS resoundingly defeated all of these allegations, Wilson limped into this Court and asked for the value of his membership interest as of December 2011. And he did so, after having spent a significant portion of this litigation seeking to weaken CCC since leaving. *See* Def. Ex. 113.

- Making representations that Wilson may not receive a distribution for two years: The court concluded that Defendants pressured Wilson by claiming he would not receive a distribution for two years. (Order, p. 6).
  - Defendants represented that Wilson may not receive a distribution for two months, not two years. They specifically inquired whether Wilson had financial support from his family in order to make it through the two month cash preservation period of January to March 2012.
- Demanding possession of Wilson's computer and blackberry: The Court concluded that demanding Wilson's computers and Blackberry evidenced oppression. (Order, p. 7).
  - Wilson conceded that he did not have a claim for conversion and the Court so ruled. Accordingly, any finding that it was wrongful for Defendants to demand the return of Defendants own computers and Blackberry is not supported by the evidence or law.
- Initiating an Exit Strategy: The Court concluded that Wilson was oppressed because Defendants created an exit strategy. (Order, p.6).
  - Plaintiffs cite an email that addresses sales functions to support this claim. The email does not discuss removing Wilson from the company; it merely discusses placing sales team members in Wilson's current position. Plaintiff's Ex. 39.

Against the backdrop of the above discussed evidence, the Court's conclusion that Wilson was oppressed hinges upon the fact that he was locked out of his business, that his cellular phone plan was terminated, and that his health insurance was not maintained.

- Locked Out: There is no question that Wilson was locked out of the business. Gandis learned that Wilson was preparing to leave CCC and was justifiably concerned for the protection of the company and its confidential information. Def. Ex. 117 (screen shot showing on January 9, 2012, Wilson made copies of contacts and opportunities); *see also* Def. Ex. 77 (January 19, 2012 letter from Nexsen Pruet regarding confidential and trade secret information and preservation of evidence). Accordingly, Gandis showed up at CCC's Greenville office and hoped to gain access to, and secure, the company's confidential and trade secret information before Wilson left.
- Cellular Phone: Gandis testified that Wilson's cellular phone number was CCC's main sales phone number. He took steps to cut off Wilson's use of that line. Gandis testified that it was not his intention to affect Wilson's family's service and that he took steps to fix their loss of service upon notice.
- Health Insurance: Plaintiffs health insurance was not maintained by CCC after he left.

B. Wilson Was Not Oppressed By Gandis and ACS

Wilson cannot claim that he was oppressed for failure to receive regular distributions following his departure. The Court's expert confirmed that neither Gandis nor ACS received distributions following his departure. Accordingly, this case does not present a situation where the minority has been prevented from receiving the economic benefits retained by the majority. In December of 2011, Defendants paid off Wilson's care note—the company had purchased a Lexus for Wilson and paid it off. Furthermore, the evidence of this case showed that after leaving

CCC, Wilson almost immediately began taking advantage of the information he took from CCC and generating cash for his family. *See* Def. Ex. 81, p.1; Ex. 82 (discussing transaction with company named Imperial—a company that Wilson never transacted business with prior to CCC).

1. Gandis and ACS Repeatedly Told Wilson They Were Fine With Him Remaining as a Partner

Evidence shows that Gandis and ACS were content for Wilson to remain as an equity partner. For example:

> I know Dave wants to be a partner – and I support him in that goal – but we really need to come to a consensus on how the business is going to be managed.

Plaintiff's Ex. 59, p.1 (second full paragraph), November 9, 2011 email from ACS to Gandis.

> As the numbers are still in flux – the offer was proposed to you with several options. The first option was simple – here is a fixed number that is good through January 7th. The second option essentially says, if you are not comfortable with that number, you are welcome to sell your interest for a number that will continue to move as the books are closed – but we don't know that number until the year is closed. If you are not comfortable with either of those options – you are welcome to remain as a partner.
>
> As you know, it was our change in cash management rules that were outlined to you in the fall that started the buy-me out dialogue. As you are the party that initiated the "buy-me-out" as well as the "buy-us-out" conversations, please don't forget that we are perfectly fine with you remaining as a partner.

Def. Ex. 145, pp.1-2 (beginning on last sentence of page one), January 2, 2012 email from ACS to Wilson and Gandis, cc to Wilson's accountant.

> We need to remember that we don't care if he is a partner or not...only he cares, and even then, he really only cares about getting his cash in front of vendors and employees – and we have told him "NO MORE! Never again. We are going to get even with you from a distribution perspective and then we are going to stay even with you on a going forward basis. We all have to find outside financing when money is tight and we all will get distributions when money is not."

Plaintiff's Ex. 88 p.2 (first full paragraph), January 5, 2012 email from ACS to Gandis.

2 *Wilson's Unclean Hands Should Require A Valuation of His Membership Interest to Be Based Upon Financials Later than 2011*

Evidence was presented to the Court showing that the doctrine of unclean hands should have been applied to preclude valuing Wilson's membership interest at the time he ceased working for CCC. "He who comes into equity must come with clean hands. It is far more than a mere banality. It is a self-imposed ordinance that closes the door of the court of equity to one tainted with inequitableness or bad faith relative to the matter in which he seeks relief." *Straight v. Goss*, 383 S.C. 180, 207, 678 S.E.2d 443, 457-48 (Ct. App. 2009).

Wilson destroyed evidence; he did so before the litigation began and he did so during the litigation. Def. Ex. 115, 122. Indeed, Wilson's pre-litigation evidence destruction is particularly troubling because he specifically received an evidence preservation letter the day after he took CCC's computers and Blackberry. Def. Ex. 77. Wilson's destruction of evidence prevented Defendants from conducting complete discovery on their breach of fiduciary duty claims. At the time of trial Defendants had a pending motion to conduct a forensic examination of Wilson's computers.

Wilson lulled Gandis and ACS into winding down the affairs of CCC in 2012 under the belief that the parties would liquidate the company, split the proceeds, and go their separate ways. Out of the blue, he halted the planned dissolution of CCC with the "offer." For reasons known only to him and Mr. Steve Norvell, Wilson then refused to go forward with the offer. Instead, Wilson hired Catherine Stoddard to provide an affidavit based upon faulty and misleading information. Stoddard was apparently not provided with the exhaustive financial resources which had been delivered to Wilson during the course of the December 2012 "offer" and was, instead, lead to believe that the purpose of her affidavit was to compel the initial

production of records by the company. *See generally* Motion to Disqualify Expert Stoddard. Once Ms. Stoddard's "opinions" entered this case, the litigation turned into a heated battle that only cooled upon the issuance of Del Bradshaw and Pete Tiffany's report.

II. Buy-Out Against the Members

The Court should reconsider its ruling requiring the individual members to personally buy-out Wilson. While the parties agreed that it would be proper for the court to order the company to purchase Wilson's distributional interest, there was never an agreement for the remaining members to purchase his interest.

The South Carolina Reporters Comments do not support the Court's ruling. The comments to S.C. Code Ann. § 33-44-801 provide that:

> [A] buy-out might be appropriate where, for example, one or more members have (i) engaged in fraudulent or unconscionable conduct, (ii) [not applicable relates to expelling a member to gain an unfair advantage in the operating agreement], or (iii) engaged in serious misconduct.

The evidence presented in this case does not support the requirements set forth in the reporter's comments. Indeed, the Court's expert confirmed this conclusion.

Reporter's comments aside, as for ACS the Court's ruling is profoundly unfair. The evidence showed that she owned 10% of CCC and unlike the other members, she did not actively participate in the daily operations of the business, and perhaps most significantly, she had no voting rights.

III. Breach of Fiduciary Duty

The Court concluded that Wilson fully disclosed and received approval to retain complete control over three so-called "import accounts." (Order, p. 12). (As an aside, the evidence showed that Wilson continued to do business with much more than three accounts. Def. Ex. 183.) Defendants ask this Court to reconsider its ruling and find that Wilson violated the parties'

agreement, and to award damages for these violations. Defendants have included the affidavit of Gandis pursuant to Rule 59(c), SCRCP, and seek additional testimony on this issue. (Attached as *Exhibit B*). Wilson testified that he disclosed and rightfully retained three accounts. He stated that these accounts were West Carrolton, J.P. Lamborn, and Modular Metal. These accounts happen to have been the most profitable—and thus most damaging—accounts that he transacted business with outside of CCC. Def. Ex. 183. During the trial of this case, Wilson claimed that these accounts were excluded because they were import accounts.

A. Defendants Believe Modular Metal Was Not An Import Account

Following entry of the judgment, Gandis searched through old EFS records left by Wilson. As for Modular Metal, it does not appear that Wilson imported film for this customer. (Gandis Affidavit, ¶ 3). Defendants request that the Court conduct further testimony on this issue pursuant to Rule 59(a), SCRCP.

Gandis found two purchase orders for film that was used to supply Modular Metal. (Gandis Affidavit, ¶ 4). These purchase orders show that Wilson purchased the film from Edward Sider & Co., which is located in Illinois. (Gandis Affidavit, ¶ 3). On July 7, 2008 Wilson purchased 41,863 pounds of film from Edward Sider. (Gandis Affidavit, ¶ 6). The description of the film purchase matches exactly with film later sold to Modular Metal on August 25, 2008: "44 gauge clear untreated polyester film – 2.375" x 40,000' on 3" core 1672 rolls on 22 pallets." (Gandis Affidavit, ¶ 5). Domestically purchasing film to supply Modular Metal was not a one-off event as Gandis located another purchase order from Edward Sider & Company that appears to have been used to supply Modular Metal. (Gandis Affidavit, ¶ 7-8).

B. Defendants Presented Evidence that JP Lamborn Was Not One of the Excluded Accounts

Plaintiff's Exhibit 3 contains the only reliable contemporaneous discussion regarding the three accounts. Gandis wrote that "[t]here are three accounts that Dave imports that do not currently go through CCC." Evidence introduced at trial, however, showed that CCC did business with JP Lamborn. Def. Ex. 14, 18. Accordingly, the Court erred in concluding that JP Lamborn was excluded from the agreement.

C. Wilson Did Not Meet His Burden to Show His Retained Accounts Were Fully Disclosed

At the close of trial, Defendants contended that Wilson had the burden to show that he fully disclosed all material facts relating to the retained accounts. *See Meinhard v. Salmon*, 164 N.E. 545, 546-49 (N.Y. 1928). Defendants submit that Wilson did not meet his burden. The only contemporaneous evidence revealing Wilson's disclosure confirms this position. On May 30, 2008 Gandis wrote that, "[i]n two of the cases – I do not think that he has derived any income from the accounts...and they could very easily go away." Plaintiff's Ex. 3, p.3. The only person Gandis could have received this information from was Wilson.

D. Defendants Claims Are Not Time Barred

1. Rule 15(c), SCRCP

The Court concluded that Defendant's received notice of Wilson's activities outside of CCC in 2009. (Order, pp. 12-13). Specifically, Wilson submitted email correspondence from June 17, 2009 and October 30, 2009, related to West Carrolton. Plaintiff's Ex. 17. Defendants do not agree that these emails provided them sufficient notice to know of the scope of Wilson's illicit activities, and do not believe the evidence supported that finding. Nevertheless, assuming *arguendo* that it did, Wilson initiated this lawsuit on April 27, 2012. Gandis and ACS answered

and filed counterclaims alleging breaches of fiduciary duty related to Wilson's usurpation of corporate opportunities. Later CCC was added to the case via Wilson's Second Amended Complaint and it counterclaimed seeking the same relief. Defendants' claims are timely under Rule 15(c), SCRCP, as they relate back to Wilson's filing of this action on April 27, 2012.

2. Statute of Limitations Does Not Apply to Equitable Action

The Court has indicated it will use its equitable powers to fashion a remedy in this case. Pursuant to those powers, the court previously ordered an accounting of the company. The accounting, however, failed to include the income Wilson received from these side deals. Statutes of limitation do not apply to equitable actions. *Parr v. Parr*, 268 S.C. 58, 67, 231 S.E.2d 695, 699 (1977). Any equitable remedy fashioned by the Court should include the income Wilson received from these side deals for the evidence is clear that Wilson received income from these side deals while also receiving income from CCC.

E. The Weight of the Evidence Showed That Wilson Agreed to Bring All Customers to CCC.

Starting in July 2008, Gandis agreed to refrain from taking any money out of CCC in order to ensure that Wilson would initially receive $8,000 per month. The contemporaneous discussion of this deal unambiguously showed that in order to receive this initial guaranteed pay Wilson would bring all of his customers to CCC. Def. Ex. 10, June 24, 2008 email ("If I am to focus all my efforts in the film business on CCC, I am foregoing opportunities to earn money on those opportunities outside of CCC."); Def. Ex. 31, April 13, 2009 email ("The payments I received last year was basically a salary which I required since I was taking my customers from EFS and putting them into CCC reducing my ability to earn a living.")

The common theme found in Wilson's contemporaneous position, and his position nearly one year later, show that the combination of his customers and efforts into CCC made it where

he relied on CCC for income. If Wilson had negotiated a situation where he was allowed to sell accounts on the side, then he would not have used these words to describe the deal. Respectfully, it strains credulity to suggest that Wilson was allowed to run over $1.7 million through his other company while Gandis pulled money from his home equity line, and agreed to initially forgo pulling money out of CCC so that Wilson could receive the initial $8,000 per month. The weight of the evidence showed that Wilson told Gandis that he contributed everything to CCC.

IV. Trade Secret Claims

The Court incorrectly analyzed CCC's trade secret claim by relying upon *Atwood Agency v. Black*, 374 S.C. 68, 646 S.E.2d 882 (2007) and non-controlling law.

CCC's trade secret claim essentially boiled down to knowing where to source the film product from and where to sell the film product—that is, how to effectively serve as the middle man connecting manufacturers and end users or customers. Gandis testified that in the course of creating each account most end users would have to "qualify" the product at their facilities to ensure it would be used. The qualification process is involved and deserving of protection. Gandis also testified that a competitor could gain a competitive advantage if it had access to pricing information. For example, Gandis presented testimony that Wilson and Shaw were offering to sell products to end users at prices below what CCC offered. Knowing CCC's pricing structure, Gandis testified, harmed CCC.

In *Atwood*, the Supreme Court concluded no trade secret existed because the list of homeowners (here, the product manufacturer) was available at "Town Hall." *Id.* at 72, 646 S.E.2d at 884. And that the names of the renters (here, the end users or customers), were available "through other proper means." *Id.* at 72, 646 S.E.2d at 884. The Court did not,

however, confront the component of pricing in its analysis for it was not relevant to the business model. Pricing, however, is very important to CCC's business model.

The Court incorrectly relied upon *Hill Holliday Connors Cosmopulos, Inc. v. Greenfield*, 433 Fed. Appx. 207 (4th Cir. 2011) for the proposition that "eternal vigilance" is required. And that the owner of the trade secret must provide "constant warnings to all persons to whom the trade secret has become known and obtaining from each an agreement, preferably in writing, acknowledging its secrecy and promising to respect it." (Order, p. 14). South Carolina law, however, does not include any of these requirements. S.C. Code Ann. § 39-8-30(B).

The Court likewise erred in concluding that CCC made little if any effort to protect the information. (Order, p. 8). The law only requires the owner of the trade secrets to make "efforts that are reasonable under the circumstances to maintain its secrecy." S.C. Code Ann. § 39-8-20(5)(ii). Gandis testified that only he, Wilson, and ACS were able to access all of the information needed to conduct business—that is, the manufacturer's information and the end user or customer's information.

Plaintiff presented the testimony of a fact witnesses that strayed beyond factual matters and into the domain of expert testimony regarding the nature of CCC's business. The fact witness was not qualified as an expert witness at trial. This Court accepted this testimony in making its findings. (Order, p. 13). Plaintiff, however, did not identify any expert witnesses regarding this issue, and Defendants made a contemporaneous objection to this line of testimony. Defendants ask the Court to reconsider its ruling and reject this line of testimony from its consideration.

This Court concluded that Defendants failed to prove that its damages were proximately caused by a misappropriation. (Order, p. 15). CCC presented evidence that Wilson, NeoLogic,

and Fresh Water misappropriated its trade secret information and used the same to conduct business. This Court was authorized to award damages for any actual loss or unjust enrichment caused by the misappropriation. S.C. Code Ann. § 39-8-40(B). Defendants ask the Court to reconsider this ruling.

V. Conclusion

For the reasons discussed above, Defendants respectfully move this Honorable Court, pursuant to Rules 59(a),(c), & (e), SCRCP, to take new testimony and/or for reconsideration of this Court's Order.

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January 20, 2015

Greenville, South Carolina

EXHIBIT A

STATE OF SOUTH CAROLINA COUNTY OF GREENVILLE David Wilson, et al. Plaintiff, vs. John Gandis, et al. Defendant.	)	IN THE COURT OF COMMON PLEAS THIRTEENTH JUDICIAL CIRCUIT CASE NO.: 2012-CP-23-2887 **MOTION AND ORDER INFORMATION FORM AND COVERSHEET**

Plaintiff's Attorney:	Defendant's Attorney:
W. Andrew Arnold, Bar No. 65311 Address: 712 E. Washington St., Greenville, SC 29601 Phone: 242-4800Fax 242-4885 E-mail: aarnold@aalawfirm.comOther: ____	Steven E. Farrar, Bar No. 1960 Address: PO Box 87, Greenville, SC 29602 Phone: 751-7633 Fax751-7800 E-mail: steve.farrar@smithmoorelaw.com Other: ____

☒ **MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I and III)**
☐ **FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III)**
☐ **PROPOSED ORDER/CONSENT ORDER (complete SECTIONS II and III)**

SECTION I: Hearing Information

Nature of Motion: Motion to Disqualify Plaintiff's Expert Catherine Stoddard
Estimated Time Needed: 15 minutes Court Reporter Needed: ☒YES/☐ NO

SECTION II: Motion/Order Type

☐ Written motion attached
☐ Form Motion/Order
I hereby move for relief or action by the court as set forth in the attached proposed order.

Signature of Attorney for ☐ Plaintiff / ☐ Defendant Date submitted

SECTION III: Motion Fee

☒ PAID – AMOUNT: $ 15.00
☐ EXEMPT: (check reason)
☐ Rule to Show Cause in Child or Spousal Support
☐ Domestic Abuse or Abuse and Neglect
☐ Indigent Status ☐ State Agency v. Indigent Party
☐ Sexually Violent Predator Act ☐ Post-Conviction Relief
☐ Motion for Stay in Bankruptcy
☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRCP)
☐ Proposed order submitted at request of the court; or,
reduced to writing from motion made in open court per judge's instructions
Name of Court Reporter: ____
☐ Other: ____

JUDGE'S SECTION	
☐ Motion Fee to be paid upon filing of the attached order. ☐ Other:	JUDGE CODE ____ Date: ____

CLERK'S VERIFICATION

Collected by: ____ Date Filed: ____
☐ MOTION FEE COLLECTED: $ ____
☐ CONTESTED – AMOUNT DUE: $ ____

SCCA 233 (11/2003)

STATE OF SOUTH CAROLINA COUNTY OF GREENVILLE	)	IN THE COURT OF COMMON PLEAS C.A. No. 2012-CP-23-2887
David Wilson, individually and derivatively on behalf of Carolina Custom Converting, LLC, Plaintiff, -vs- John Gandis, Andrea Comeau-Shirley, ZOi Films, LLC and Carolina Custom Converting, LLC, Defendants. Carolina Custom Converting, LLC, Counterclaim Plaintiff, -vs- Dave Wilson, Steven Norvell, Neologic Distribution, Inc., and Fresh Water Systems, Inc., Counterclaim Defendants.	)	**MOTION TO DISQUAILFY PLAINTIFF'S EXPERT CATHERINE STODDARD**

Defendant Andrea Comeau-Shirley ("Comeau-Shirley" or "Defendant") moves this Court for an Order disqualifying Plaintiff's expert, Catherine Stoddard, from testifying in this case for multiple grounds as explained below. Her deposition testimony reflects that she is biased and incapable of contributing impartial testimony. She is not proficient in the exercise of her professional obligations. Her prior acts have cost the parties to this case tens of thousands of unnecessary dollars and proven incapable of reliability.

Initially, Plaintiff retained Stoddard, an accountant, to "determine the economic damages" (Stoddard deposition page 54) [1]; however her work morphed into offering an opinion as to the appropriateness of financial records based solely upon information from Plaintiff or his counsel. As a Certified Public Accountant, Stoddard was professionally bound to perform an objective review of the accounting records, and offer an objective opinion based on that review. Stoddard utterly failed to do so. Instead, from the outset Stoddard took sides and chose to be an advocate for her client, Plaintiff Dave Wilson, rather than an objective accountant. This admitted conduct severely compromises her ability to serve as an expert witness for Plaintiff. Stoddard should not be allowed to stand before this Court, let alone offer expert testimony in this case. Additionally, Stoddard is unqualified to offer expert testimony on the appropriateness of the subject accounting records, or anything else in this matter. Accordingly, Defendant respectfully requests this Court issue an Order disqualifying Stoddard from this case.

BACKGROUND

The Stoddard Affidavit

In March 2013, Plaintiff engaged Stoddard to "assist him with the financial aspects of the case." (Stoddard Affidavit ¶ 2).[2] More specifically, Stoddard was "asked to investigate the extent to which the accounting records [of CCC] have been changed, the impact of these changes, and the timing of these changes as they relate to [this case]." (Stoddard Aff. ¶ 2). Rather than perform a professional and objective review of the CCC accounting records, Stoddard did a hatchet-job on Comeau-Shirley. Stoddard insinuated that Comeau-Shirley somehow "cooked the books." Stoddard opined that the accounting records were "not reliable," and contained "significant discrepancies" and "unusual transactions." (Stoddard Aff. ¶ 7). Worse, Stoddard accused

[1] Referenced pages to her deposition are attached hereto as **Exhibit A**. The pages are in numerical order.
[2] The Stoddard Affidavit is attached hereto as **Exhibit B**.

Comeau-Shirley of "keeping or creating multiple sets of accounting records and reports for the purposes other than accurately reporting its historical results" (Stoddard Aff. ¶ 7); and opined "that some assets and sales may have been diverted to related entities that are owned or controlled by Andrea Comeau-Shirley or John Gandis" (Stoddard Aff. ¶ 12). Stoddard concluded that the "manipulation of the books beginning in the fall of 2011 is significant to the overall financial picture and valuation of [CCC]." (Stoddard ¶ 12). None of these allegations proved out when Del Bradshaw issued his report and each of those allegations could have been simply answered if Stoddard had merely asked[3].

The Stoddard Affidavit Leads to Unnecessary Costs

Stoddard's biased and unfair affidavit opened the flood gates of expensive and time-consuming discovery by Defendants (but largely Comeau-Shirley), which also included an independent and objective review of the CCC accounting records by a court-appointed accountant, Del Bradshaw of Bradshaw, Gordon & Clinkscales, LLC. In response to the Stoddard Affidavit, this Court (perhaps understandably) denied defense motions to limit overbroad and unreasonable discovery requests from Plaintiff. As a result, Comeau-Shirley incurred great costs, including significant attorney's fees, to respond to Plaintiff's discovery demands. This expense would not have occurred had Stoddard faithfully performed forensic accounting services when reviewing the CCC accounting records.

Moreover, this Court would likely not have appointed Bradshaw to perform the same review. In any event, Bradshaw reviewed the CCC accounting records and issued an independent and objective opinion that completely exonerates Comeau-Shirely from any wrongdoing. In the process it also exposes the Stoddard Affidavit for the sham that it is.

[3] Stoddard admitted in her deposition that she attended a portion of Ms. Comeau-Shirley's deposition and could have had any questions answered by providing them to Plaintiff's counsel but she did not. See, generally, page 118 of Stoddard deposition.

Because the Stoddard Affidavit was the wellspring of the enormous costs associated with this discovery, including the accounting services performed by Bradshaw, Comeau-Shirley will ask this Court at the appropriate time to shift the Defendants' payment of these costs and fees to Plaintiff.

ARGUMENT

It is now clear that the Stoddard Affidavit was just another front to Plaintiff's legal attack[4]. It does not rest on an objective, professional review of the accounting records, and is flatly contradicted by the Bradshaw report. This is unsurprising. Bradshaw exercised his professional judgment based on an independent and objective review of the CCC accounting records. Stoddard did not follow this same path. Rather, she became an advocate for Plaintiff, and did not exercise any objectivity before swearing that the CCC accounting records were improper and implying that Comeau-Shirley acted unprofessionally.

A. Stoddard Should Be Disqualified Because She Failed to Exercise Objectivity

Stoddard failed to formulate an objective plan or approach before performing the review of CCC's accounting records; failed to investigate or ask for any documents other than those that were provided to her by Plaintiff; failed to interview or perform any fact-finding beyond what was told to her by Plaintiff; and failed to keep notes of her review of the accounting records so as to hide her work and findings from Defendants *intentionally*. Stoddard also found Defendants had manipulated the books, but yet found not a single issue with anything Plaintiff did or did not do. Stoddard should be disqualified.

Stoddard Deposition

[4] **"I think your lawyer should bury them with discovery requests (or subpoenas)."** —*Advice to Plaintiff Dave Wilson from another of his accountants in September 2012*

Stoddard was deposed on August 18, 2014. Stoddard testified that she was a senior manager at Dixon Hughes, who works for the FLSVS (forensic, litigation support, valuation services) group. (Stoddard Dep. pg. 6). She admitted that it was her job to be an objective finder of fact for the benefit of the court. (Stoddard Dep. pg. 18). She also admitted that the rules of professional conduct for accountants—the rules propagated by the American Institute of Certified Public Accountants (the "AICPA")—require her to be objective, which in her words "is not to be persuaded by emotions or other people, but to have opinions based on the objective facts and draw those conclusions based on those facts." (Stoddard Dep. pg. 23). Stoddard further agreed that she is professionally prohibited from acting as an advocate for her client's position (Stoddard Dep. pgs. 23-24).

Unfortunately, in rendering opinions for Plaintiff, Stoddard did not remain objective—she did not objectively review the CCC accounting documents, and then reach an unbiased conclusion based on that review. Rather, Stoddard asked for no materials other than what was fed her by Plaintiff or his counsel and used that narrow scope to perform a biased-from-the-outset review of the accounting records and then, even worse, issued tainted findings accusing Comeau-Shirley of wrongdoing.

It is clear that from the beginning Stoddard would serve as a surrogate for Plaintiff's position. She said she was hired to "assist [Plaintiff's counsel] with this case" (Stoddard Dep. pg. 31) and that, before she even looked at the CCC accounting records, she lacked confidence in the financial statements (Stoddard Dep. pg. 30).

1. Stoddard Had No Written Objective Plan in Place Before She Reviewed the CCC Accounting Records

Stoddard had no written objective plan in place before she began reviewing the CCC accounting documents. She explained that she had a "goal" of getting comfortable with the CCC accounting documents, but did not have a written objective plan to achieve that goal:

> Q. In order to do that [achieve the goal], wouldn't you have in your mind's eye a set of steps you have to take to do that?
>
> A. Yes.
>
> Q. But you didn't write those down to leave a trail of what you were doing, did you?
>
> A. No.

(Stoddard Dep. pg. 32). She further explained that she did not document her plan at all:

> A. We have to keep adequate documentation, but it doesn't mean I have to document the plan as we go along.
>
> Q. And that's your testimony as an expert witness who's licensed in the State of South Carolina as a certified public accountant?
>
> A. Yes.

(Stoddard Dep. pg. 34) [Contrast this with Bradshaw's testimony on pp 46-47 of his deposition[5] where he acknowledges that it is his "professional obligation" to leave a trail of his work for others to follow.] Stoddard did not document her work, even though required by the AICPA, which included preparing a written plan to allow her to objectively perform the review of the CCC accounting records.

2. Stoddard Performed No Independent Investigation

Stoddard agreed that part of her responsibility for performing forensic accounting services was to obtain relevant data that is sufficient to provide a reasonable basis for her

[5] Referenced pages to his deposition are attached hereto as **Exhibit C**. The pages are in numerical order.

conclusions. (Stoddard Dep. pg. 40). And yet Stoddard performed no investigation beyond the information and documents that were spoon-fed to her by Plaintiff.

Stoddard never visited the CCC plant (Stoddard Dep. pg. 42), and, as a result, did not talk to any plant personnel (Stoddard Dep. pg. 77).

Stoddard also did not, or at least does not remember, asking for additional information from Plaintiff (or any other party). (Stoddard Dep. pgs. 40-41; 84). In that regard, Bradshaw testified that merely simple questions would have waved any accountant off the goose chase she created:

> *Q. Do you agree that Ms. Stoddard's affidavit contained numerous assumptions or erroneous assumptions that she could have dispelled had she done some investigation -- the investigation you did?*
>
> *A. I think in our report that we stated as such that had she known of the -- the two biggest issues was the inventory waste and the erroneous sale. And had she known of these, I think it would have made a huge difference in any type of projections or annualizations that she made with regards to her affidavit.*

(Bradshaw Deposition pgs. 47-48).

She did not know, for example, that a Counterclaim was filed against Plaintiff that alleged Plaintiff was stealing trade secrets. (Stoddard Dep. pgs. 63-64). She admitted this information would have been helpful to her review. (Stoddard Dep. pg. 64). She also did not know about the adverse market forces specific to CCC's business between 2010 and 2011:

> Q. Now, if I were to tell you at that point in time that [CCC] had made a lot of money in 2010, but they weren't going to be able to in 2011 because the glut came on the market and they were holding a lot of worthless inventory, would you have written such a rosy statement there?
>
> A. That would be important to know.

(Stoddard Dep. pg. 86). The fact of the matter is Stoddard performed no independent investigation before rending her opinion of CCC's accounting records. Stoddard apparently did not perform a single task that was not specifically dictated by Plaintiff or his attorney:

> Q. **What did you do that didn't involve Mr. Wilson or Mr. Arnold asking you to do it? Not how did you do it, but what did you do. Tell me the big broad topics you said as a professional, this is what I'm going to add to this engagement, I'm going to tell them what needs to be done. What did you do?**
>
> A. **Well, nothing really.**

(Stoddard Dep. pg. 38). (emphasis added)

Merely following professional standards, planning and asking questions would have potentially avoided the full blown review performed by Bradshaw:

> *Q. But you would have recognized that fairly quickly if you had been brought in and given a month-end statement, wouldn't you, and talked to the owners?*
>
> *A. No doubt about it, yes. One clarification.*
>
> *Q. Yes.*
>
> *A. We would have known about it. Had we understood the process, the manufacturing process. And once we had gotten into that part of the analysis we would have understood why inventory would have required more adjustments.*
>
> *Q. And in your role as doing that if you were in Ms. Stoddard's shoes you would have -- and had Mr. Wilson's ear you would have said to him, this is our plan, this is what we need to do, this is what you need to attack, can you explain these things to us as you learn the process; correct?*
>
> *A. Yes.*
>
> *Q. That would be the natural course of a professional accountant; right?*
>
> *A. If I had access to the information, yes, I would have done some of the things necessary or at least inquired or made a list or made a plan as to things that I needed to review and look at to go further with my analysis.*

(Bradshaw Deposition pgs. 49-50).

3. Stoddard Intentionally Left No Paper Trial for Defendants to Follow

Another incredible revelation from Stoddard's deposition was the fact that she intentionally failed to take any written notes memorializing her review of the CCC accounting records for the express purpose of evading discovery by Defendants. Stoddard agreed that to have fair and open discussions about the results of her review, Defendants would need to know how she performed that review and what she found, both positive and negative. (Stoddard Dep. pg. 53). And yet Stoddard, a retained expert who is professionally required to be objective, admitted that she intentionally did not detail her work because it would be disclosed to the opposing party. (Stoddard Dep. pgs. 51-52). She testified, for example, that she did not put any detail in her notes "because it's discoverable." (Stoddard Dep. pg. 52).

Additionally she acknowledged on page 41 of her deposition that "After I get them in the electronic file we destroy them. Or sometimes it's just something I need to do and once I'm done I get rid of it." It is impossible now to recreate what was converted electronically and what was merely "destroyed."[6]

4. Stoddard Found Not a Single Thing Wrong With Anything Plaintiff Did

Finally, in reviewing the accounting documents, Stoddard did not find a single unfavorable thing about Plaintiff:

> Q. Do you believe there's anything unfavorable about Mr. Wilson in your affidavit?
>
> A. I don't think so.

(Stoddard Dep. pg. 53).

[6] Again, contrasting this with Bradshaw's testimony in which he acknowledges that it is professional obligation not to destroy anything is illuminating (Bradshaw Dep. pg. 47).

Stoddard's conduct and opinion, under these circumstances, can only lead to the conclusion that Stoddard is the mouthpiece for Plaintiff. For this reason, she should be disqualified by this Court.

B. Stoddard Should Be Disqualified Because She Is Not Competent to Testify

Even assuming this Court did not disqualify Stoddard for intentionally avoiding information and destroying documents, she should be disqualified because she is not competent to provide an expert opinion on her review of the CCC accounting records.

South Carolina Rule of Evidence 702 governs the admissibility of expert testimony. In exercising its "gate keeping duties" under this rule, the trial court "must evaluate the substance of the testimony and determine whether it is reliable." *Watson v. Ford Motor Co.*, 699 S.E.2d 169, 175 (S.C. 2010). The obligation of the trial court to examine the substance of the testimony to determine if it is reliable applies regardless of whether the expert evidence is scientific, technical, or other specialized knowledge. *Id.* at 177.

Stoddard intends to testify based on her forensic examination of CCC's accounting records. Stoddard's testimony is not reliable. Stoddard is not a certified fraud examiner. (Stoddard Dep. pg. 16). Stoddard has no formal training on QuickBooks. (Stoddard Dep. pg. 8). The vast bulk of her work has been related to family court matters. (Stoddard Dep. pg. 9). Most importantly, Stoddard did not even know what standards applied to her scope of work. Stoddard admits that the engagement is proscribed by the standards of the AICPA (American Institute of Certified Public Accountants) (Stoddard Dep. pg. 18), and also admits that she ought to know the rules of the industry (Stoddard Dep. pg. 19). But Stoddard also admits that she has never read the Litigation Services and Applicable Professional Standards of the AICPA ("Accountant Litigation Standards") (Stoddard Dep. pg. 21). In fact, when shown the Accountant Litigation Standards at

her deposition she admitted that "this is the time first time I've read it...." (Stoddard Dep. pg. 21). Stoddard was completely unfamiliar with the standards that dictate how her profession requires her to perform expert services in a ligation setting.

Worse, Defendant was completely unable to confront Stoddard with what she did or did not do in her review because Stoddard intentionally failed to memorialize the steps of her review. She makes bold accusations—such as the statement that CCC (but the implication being Comeau-Shirely) is "keeping or creating multiple sets of accounting records and reports for the purposes other than accurately reporting its historical results" (Stoddard Aff. ¶ 7)—but then could not support the statement because she did not document it:

> Q. Did you document your file so I can go back in your file and see where there's an inconsistency such that it would lead you to believe there's multiple sets of accounting records?
>
> A. I probably don't have that documented, or I probably don't have that documented unless it was one of the multiple PDFs of the QuickBooks that I had printed. You know, you'd just have to compare those two.

(Stoddard Dep. pg. 108).

Therefore, in addition to her absolute failure to maintain an objective stance when performing her professional accounting duties, Stoddard should be disqualified for failing to know, let alone follow, the specific rules governing her work.

CONCLUSION

Comeau-Shirley respectfully requests this Court issue an Order disqualifying Stoddard from testifying in this matter.

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Attorney for Defendant
Andrea Comeau-Shirley

September 24, 2014

Exhibit A

STATE OF SOUTH CAROLINA IN THE COURT OF COMMON PLEAS

COUNTY OF GREENVILLE C.A. NO. 2012-CP-23-2887

DAVID WILSON, individually and derivatively on behalf of Carolina Custom Converting, LLC,
Plaintiff,

VS

John Gandis, Andrea Comeau-Shirley, ZOi Films, LLC, and Carolina Custom Converting, LLC,
Defendants,

Carolina Custom Converting, LLC,
Counterclaim, Plaintiff,

VS

Dave Wilson, Steven Norvell, Neologic Distribution, Inc., and Fresh Water Systems, Inc.,
Counterclaim Defendants.

DEPOSITION OF:	CATHERINE STODDARD
DATE:	August 18, 2014
TIME:	9:15 a.m.
LOCATION:	Smith Moore Leatherwood 2 West Washington Street, Suite 1100 Greenville, SC
TAKEN BY:	Counsel for the Defendant
REPORTED BY:	MICHELE E. BECKER, Registered Merit Reporter

A. WILLIAM ROBERTS, JR., & ASSOCIATES

Fast Accurate & Friendly

Charleston, SC (843) 722-8414	Hilton Head, SC (843) 785-3263	Myrtle Beach, SC (843) 839-3376
Columbia, SC (803) 731-5224	Greenville, SC (864) 234-7030	Charlotte, NC (704) 573-3919

A. I'm a senior manager.
Q. Is the senior manager the level below partner?
A. Yes.
Q. How long have you been at Dixon Hughes Goodman?
A. About three-and-a-half years.
Q. What did you do before that?
A. I had my own practice called Stoddard Consulting, and I had some traditional clients and then I also focused on litigation services.
Q. How many different big umbrella practice areas does Dixon Hughes have?
A. Oh, dear. Big umbrella would probably be like tax, audit, and then we have the FLSVS. And FLSVS is forensic, litigation support, valuation services group.
Q. And you're in that group?
A. Right.
Q. And have you been in that group your entire time at Dixon Hughes?
A. Yes.
Q. And were you brought in specifically to work in that group?
A. Yes.

Q. And a senior would be above an in charge?

A. They started with what they call staff, which was beginning to two-year. And then senior was anywhere from two, to three, or four, four, maybe five years.

Q. And did you work in the audit division there?

A. Yes. I was in the audit department.

Q. Okay. Now, at any time have you been trained on QuickBooks?

A. Not formally. But when I had my own practice I had a number of clients that were QuickBooks clients.

Q. Would you -- if somebody came to you -- when you had your own practice did you ever do bookkeeping services for clients?

A. A little bit. Some writeup type work.

Q. And when you were doing that writeup type work would you use QuickBooks as your program?

A. Yes.

Q. I asked you earlier you've been deposed before; is that correct?

A. Yes.

Q. Can you characterize what percentage

of your depositions have been related to family court matters?

A. Most -- probably all of them, actually. Yeah.

Q. Is this one of the rare times you've been deposed in a business dispute as opposed to a family court matter?

A. Yes.

Q. Have you ever been involved either in terms of consulting or in support of a lawsuit where there is a contentious split in a corporation in an LLC such as this?

A. Ever been involved in a lawsuit?

Q. Yes.

A. Yes.

Q. Where there's a contentious split such as this?

A. Yes.

Q. And would those be in the matrimonial areas?

A. No. I've dealt with other businesses.

Q. And so in that regard you would have been -- you would not have been testifying about those; is that correct?

A. Most of them settled before testimony.

A. No.
Q. Is there an exam you can sit for to become a forensic accountant?
A. Yes.
Q. Is there an exam you can sit for to become a certified fraud examiner?
A. Yes.
Q. Have you taken that test?
A. No.
(DFT. EXH. 2, Internet Bio for Catherine Stoddard, was marked for identification.)
BY MR. FARRAR:
Q. I'll show you Exhibit Number 2. And can you tell me what this reflects, please?
A. This is a bio from our ISO firm, bio on myself.
Q. Instead of making you remember, I thought I'd give you this so we could go through your licenses and certifications, okay?
A. Okay.
Q. You are a certified public accountant, we've talked about that, correct?
A. Right.
Q. You're accredited in business valuation by the AICPA?

Q. And that affidavit was written to the best of your ability at the time you prepared it; is that correct?

A. Yes.

Q. And do you believe you violated any ethical provisions of your profession in preparation of that report, that affidavit?

A. I don't believe so.

Q. Can you tell me what the general requirements of CPAs are involved in litigation engagements?

A. It's our job to be objective finders of fact for the benefit of the court.

Q. Do you know if the AICPA has issued a set of requirements for CPAs to follow when performing a litigation engagement?

A. This kind of work is considered under the consulting standards of the AICPA.

Q. Do you know if there's any specific standard that refers to litigation engagements?

A. Not that I'm aware of other than the consulting standard.

Q. And can you tell me the title of that consulting standard?

A. I think it's statement on standards

for consulting services.

Q. I'm sorry, it's what?

A. Statement on standards for consulting services, I believe.

Q. Okay. You're not aware of litigation services that are applicable to the professional standards of the AICPA?

A. No.

Q. If you're not aware of it how do you know that you followed it?

A. I -- well, I don't then.

Q. Are you aware that the applicable standards for the AICPA litigation service and applicable professional standards require that you follow the general standards of the AICPA?

A. I'm sorry, I believe your question is about a document I haven't seen, so...

Q. Well, I guess, Ms. Stoddard, the question I'm asking is, do you hold yourself out to be a litigation professional, litigation support professional, and you're testifying in a litigation matter? Would you agree with me that as a professional in your industry you ought to know the rules of your industry?

A. Yes.

responsibilities that affect litigation services.

So, I'm sorry, what was your question about this?

Q. My question is, first, have you read it? This is the first time you've read that, correct?

A. This is the time first time I've read it, yes.

Q. And, secondly, the standards for consulting services is actually a separate standalone document, isn't it?

A. It is.

Q. Okay. Let me have it back to ask you more questions, please.

In fact, this Exhibit 4 recognizes the standalone statement on standards for consulting services because they refer to it in paragraph 7 and say that adherence to that standard must be complied with; is that correct? Paragraph 7.

A. Yes.

Q. I'm sorry I didn't bring more copies.

And then it also says: You must also comply with the general standards of the accounting profession contained in the American Institute of Certified Public Accountants; is that correct?

BY MR. FARRAR:

Q. All right. You would agree that that appears to be what the rule comprises -- AICPA 201 says, correct?

A. Yes, that's right.

Q. Okay. You're also aware that the AICPA requires that you have to do your job while maintaining integrity and objectivity, correct?

A. Yes. That's right.

Q. Can you tell me what objectivity is?

A. It is an adherence to conclusions based on the facts presented before me.

Q. You think that's all objectivity requires?

A. Well, I probably didn't say that as gracefully as the standard does, but basically to be objective is not to be persuaded by emotions or other people, but to have opinions based on the objective facts and draw those conclusions based on those facts.

Q. Would you agree with me that the rules of professional conduct for the American Institute of Certified Public Accounting provide that the expert does not serve as an advocate for your client's position?

A. Yes. I agree with that.
Q. Do you believe anytime during the course of this you served as an advocate for your client?
A. I do not.
Q. When was the first time you met Dave Wilson?
A. I am not entirely certain. I believe I became involved in this case in the spring of 2013. I talked to him -- I think I met -- I'm pretty sure I met with him at least once before that affidavit in May. So sometime between March and May of 2013.
Q. Do you think that you provided me your time records on what you've done in this case?
A. I think so.
Q. Okay. I'll look again during a break, but I don't think so. But I'll double-check. Where would I look under in those folders?
A. They would be on the billing invoices.
Q. In what folder on the disk that you provided do you think it would be?
A. They should be all in one folder.
Q. Okay.
A. The bills.

Q. And Mr. Woodside is a CPA?
A. He is not a CPA.
Q. So he doesn't have the same rules applying to him, does he?
A. That's true.
Q. So if you work with somebody -- if you learn from somebody who doesn't have the same rules, do you believe you're following your profession's rules?
A. I believe I am.
Q. Okay. So where is the planning in this engagement that you're required to do?
A. We don't have planning documents.
Q. Well, tell me in your head what the planning was. When you talked to Mr. Arnold and got a sense of what you're supposed to do, what was your plan?
A. My plan was to try to understand what was going on in QuickBooks and try to get -- eventually to get to a place where we have some confidence in the financial statement numbers that we're looking at.
Q. Why were you lacking confidence?
A. Why did I lack confidence?
Q. Yeah. If you hadn't seen them why did

you lack confidence to plan to get confidence? Why wasn't the conversation, I want you to look at these numbers and see if they're right or wrong, but you just told me that your initial plan was to get the documents to where you had confidence in them? What made you not have confidence in them?

A. When I -- early on, I don't know if it was our initial meeting, but early on I was given several different financial statements that did not agree. And eventually I got a backup of QuickBooks and they didn't agree either. And so -- and we had trouble getting tax return documents. And so we had different sources of financial information and they didn't agree. And so it became pretty apparent early on that the first step to doing any kind of calculation or analysis of this company is to get something that we feel comfortable with in terms of financial statements.

Q. So you were hired to basically reach a valuation of this company?

A. Eventually, yes.

Q. What were you hired to do?

A. To assist Mr. Arnold with this case.

Q. I thought you weren't supposed to be an advocate?

A. I'm not an advocate.
Q. Well, what was the goal to assist Mr. Arnold, so his client would win?
A. No. To get to -- the goal initially was to get comfortable with some set of financial statements and to be able then to do some analysis on those financial statements.
Q. In order to do that, wouldn't you have in your mind's eye a set of steps you have to take to do that?
A. Yes.
Q. But you didn't write those down to leave a trail of what you were doing, did you?
A. No.
Q. In fact, if I look at what you have, you have notes discussing, having discussions with Mr. Arnold as your plan, correct?
A. I have notes with Mr. Arnold about what issues -- what the issues were that he needed my assistance with.
Q. Okay. I haven't seen any document. If you think it's there, we'll take a break and go look. I haven't seen a single document that shows where you're actually thinking about what you're doing in the case in terms of prospective steps,

I can't find that says when you do litigation support you can ignore these general standards of the AICPA?

A. We have to keep adequate documentation, but it doesn't mean I have to document the plan as we go along.

Q. And that's your testimony as an expert witness who's licensed in the State of South Carolina as a certified public accountant?

A. Yes.

Q. And you think that you don't have to document your work at all because you don't have to because you're in litigation services?

A. Okay. There's a difference between document -- I agree I have to document my work. I have to have support for my conclusions. But to document the plan, I'm not aware that that is a requirement.

Q. But you're just picking and choosing what you've got to document, aren't you? You can't show me a single rule that tells you that's appropriate, can you?

A. I might if I have an opportunity to look, but I...

Q. But you haven't even read the rule,

with Mr. Wilson, and he expressed some concern about the integrity of the accounting reports.

Q. But at no time did you sit down and come up with that on your own and say, well, this is what we need to do and here's my plan. You basically did whatever Mr. Wilson or Mr. Arnold asked you to do, correct?

A. I disagree with that.

Q. What did you do that they didn't ask you to do?

A. He asked me to take a look at -- he had some concerns about the financial statements and the different reports and asked me to investigate them. So the manner in which I investigated them and what I found was entirely my work.

Q. What did you do that didn't involve Mr. Wilson or Mr. Arnold asking you to do it? Not how did you do it, but what did you do. Tell me the big broad topics you said as a professional, this is what I'm going to add to this engagement, I'm going to tell them what needs to be done. What did you do?

A. Well, nothing really.

Q. Okay. Then wouldn't part of what you want to do is to say this is what I need to look at,

A. Yeah.

Q. So walking away from there you shouldn't get to say, I don't know why this is missing, because you would have had the opportunity to at least hear what the reason was, right?

A. I could have heard her explanation, yes.

Q. Okay. All right. Excuse me just a second.

Now, part of your responsibility as a CPA doing litigation services is you're required to obtain relevant data that's sufficient to provide a reasonable basis for your conclusions; isn't that right?

A. Yes. That's right.

Q. Okay. But you didn't ask for anything, you just took whatever Mr. Wilson and Mr. Arnold gave you. You didn't ask them for anything, right? Because we've established that.

A. I may have asked for something but not formalized discovery. We had a lot of conversations. We may have had a conversation where I said we need to try to get or obtain this or that or the other, and not have it formalized as a specific discovery request.

Q. You didn't document that either?
A. I didn't.
Q. Because you don't have any documentation requirements.
A. Yes.
Q. Do you have any desk files?
A. Desk files?
Q. Yeah. Do you have any written paper in your files as opposed to what you have on the computer?
A. I have notes occasionally from, like, if somebody makes a phone call, and then I try to incorporate those into my electronic file.
Q. You have them scanned in?
A. I try to.
Q. Do you type them or scan them?
A. Sometimes I type them, sometimes I scan them.
Q. What happens to the ones that you handwrite and then you typed in what you wanted to type in?
A. After I get them in the electronic file we destroy them. Or sometimes it's just something I need to do and once I'm done I get rid of it.

Q. Did anyone at Dixon Hughes Goodman assist you in the evaluation of the work you were doing other than the IT people?

A. I probably -- I have an associate and I also have a bookkeeper that helps me from time to time. I would have to look at the billing records to see who worked on the case.

Q. Who's the associate?

A. Zach Mueller. Although -- yeah. Zach Mueller. And the other one is Katherine Haskell. She is the bookkeeper. And I believe there was somebody in the Charleston office too that helped me with the affidavit. His name -- I don't remember now who worked on that.

Q. Have you ever visited the CCC plant?

A. No.

Q. Have you ever asked to?

A. I don't remember if I did or not.

Q. If you had written a planning note, you would have had that in your planning notes, correct? But you don't have planning notes.

A. I might have had a note of it.

Q. But that's if you were keeping your planning notes, correct?

A. Right.

A. That's correct.

Q. And so that's what I call, time detail. I assume you have to gather your time detail and put it in on a daily or weekly basis or something like that, correct?

A. Yes, that's right.

Q. And then you have the ability to push a button and spit all that out, don't you?

A. I have ability to spit out whatever is put in the computer. What Mr. Gilbert did there is enter -- the time allows you to enter notes and he apparently put some notes in his time entries.

Q. Do you not put notes in yours?

A. I don't on this type of matter.

Q. So that's one more way I can't follow your trail, correct?

A. I suppose that's accurate, yes.

Q. Okay. Do you intentionally do this so you don't have to be pressed about things that you found unfavorable to your clients?

A. I don't know about being unfavorable to the clients. But for this type of litigation that's what my partner in charge has told me to do.

Q. And who is that?

A. Roy Stickland.

Q. And he told you specifically, don't put any detail in your time?
A. Uh-huh.
Q. Yes?
A. Yes. That's right.
Q. And did he tell you why?
A. I don't know. Probably because it's discoverable. But in family court I do it all the time, so...
Q. But did he tell you why not? Why do you assume?
A. I think he said because it's discoverable.
Q. And you don't want the other side to see it?
A. Probably, yes, that's correct.
Q. And that's not being an advocate for your client?
A. I don't think so.
Q. So if you're trying to hide something from the other side, it's not being an advocate for your client in your mind? You don't think so at all?
A. I don't think so. No, I don't agree.
Q. Okay. But would you agree with me to

have a fair and open discussion about your results I'd need to know what you were doing, how you did it and what issues you found both positive and negative?

A. Yes.

Q. All right. But there's no way I can look for that, is there?

A. Well, my affidavit pretty much summarizes what I did and what I found.

Q. Does it say what you found unfavorable to your client in there? And you're welcome to take as much time as you want to read your affidavit. And I challenge you to find something that says anything unfavorable about Mr. Wilson. I've read your affidavit pretty carefully, okay?

A. Okay.

Q. Do you believe there's anything unfavorable about Mr. Wilson in your affidavit?

A. I don't think so.

Q. And you did all this work and never found one thing unfavorable about Mr. Wilson?

A. Not in -- I'm not saying there isn't anything unfavorable, but in that work, no.

Q. But you're -- if you found it and you didn't write it down, I can't find it anywhere,

correct? And you didn't put it in your report, and you didn't put it in your time. So anything unfavorable you found is gone, is to ether, I can't find it, correct? It's evaporated.

A. I didn't find anything like what you're describing at the time I wrote that affidavit.

Q. So you found nothing unfavorable with regard to Mr. Wilson, is your testimony?

A. Well, the scope of what I was trying to do was to try to understand or highlight the problems with the financial records so that this case could get to a point where we have some information we can rely on to start doing some analysis. And in that process I didn't find anything unfavorable to Mr. Wilson.

Q. Did you initially believe you were being engaged to prepare a valuation report of the company?

A. Initially I think I thought I was being engaged in order to determine the economic damages.

Q. At any time has your engagement been performed with the anticipation that you would come up with a value of the company?

support your conclusions?

A. Well, I think really my work was done for the affidavit in order to get to the place where we had access to get the information we need. And I really haven't done a whole lot since the affidavit.

Q. But you didn't ask Mr. Arnold at any time what have you got, let me see everything you've got?

A. I'd ask him if he had specific information about certain things.

Q. Like bank statements?

A. Yes. We did have bank statements. I did ask for those and we did get those, yeah.

Q. Okay. And what else would you -- I mean, I don't know what to ask you because quite frankly there's no way for me to check what you were doing, okay. I'm having to rely on you to remember these things just like that, okay.

A. Yeah. We did have bank statements. We did have those.

Q. What else did you have?

A. I'm sorry, I don't remember.

Q. Did you look at the counterclaim against you -- against Mr. Wilson by these defendants?

A. I believe I've seen that.
Q. Did you see where he was accused of stealing trade secrets?
A. Maybe I haven't seen that. That doesn't sound familiar.
Q. Okay. Were you aware he was accused of stealing confidential information?
A. I became aware of that recently.
Q. No. I mean --
A. Maybe at that mediation.
Q. Okay. When you were giving your opinion, were you aware of that?
A. No.
Q. Don't you think it would be good to at least know what both sides are saying?
MR. ARNOLD: I'm going to object to the form.
BY MR. FARRAR:
Q. Okay. You can answer the question.
A. I think it's helpful to see all of the, yeah, to see all of that is helpful.
Q. But you didn't ask for that from Mr. Arnold or Mr. Wilson, did you?
A. I probably asked for the complaint but I didn't realize that there were counterclaims.

A. No. The first I heard of Mr. Higgins was Bradshaw's report.

Q. If you had gone out and toured the plant, don't you think you would have had the opportunity to meet Mr. Higgins?

A. I could have, yes.

Q. That might have impacted your analysis, mightn't it?

A. It might have, yes.

Q. Okay. But sitting here today, under oath, you're telling me that you're not aware of any reasons why the relationships deteriorated between Mr. Wilson on one side and Mr. Gandis and Ms. Shirley on the other?

A. I really don't know what the source of the conflict was initially. I know there were accusations about cash, and but I really don't know. That came later. And I understand the deterioration started in the fall and it was later, I think, from my understanding when they started talking about cash flow.

Q. You know Mr. Wilson doesn't like Ms. Shirley, don't you?

A. I know that this lawsuit has caused some conflict between them. I don't have an idea of

printed off at different points in time that couldn't be reconciled back.

Q. And that's all materials supplied by these gentlemen, right? (Indicating)

A. Either that or through discovery, I'm not sure where the -- I'm not sure where the documents all came from. Some of them came through formal discovery.

Q. Did Mr. Arnold ever send you formal discovery and say, you got anything you want to add to this, here's my draft?

A. I don't recall that, uh-uh.

Q. Did you ever send him something saying, next time you ask for something, ask for this?

A. If we did -- if it's not in my file it would have been just a conversation.

Q. Do you remember doing that?

A. I don't remember that, no. I do remember I think asking for bank statements though.

Q. You got those before you did your affidavit, right?

A. I don't remember when I got those.

Q. We'll see. I don't know either, that's why I'm asking.

A. Right.

Q. But you didn't do that anywhere else on these numbers, did you? I mean, as far as what Mr. Wilson, Mr. Arnold gave you as numbers, you didn't footnote that saying, I don't have that, you're just saying the tax return on K-1 didn't have that, right? We'll see examples as we go forward, okay?

A. Okay.

Q. Now, going back to the last line of paragraph section -- number 5: CCC experienced tremendous growth between 2009 and 2010 and was a profitable, successful business.

Now, if I were to tell you at that point in time that they had made a lot of money in 2010, but they weren't going to be able to in 2011 because the glut came on the market and they were holding a lot of worthless inventory, would you have written such a rosy statement there?

A. That would be important to know.

Q. You might have put in there, but they were facing severe times coming, or something like that, right? Challenging times coming.

A. Yes. However, the 2011 wasn't -- this is based on tax return information, and the tax

Q. Did you document in your file so I can go back in your file and see where there's an inconsistency such that it would lead you to believe there's multiple sets of accounting records?

A. I probably don't have that documented, or I probably don't have that documented unless it was one of the multiple PDFs of the QuickBooks that I had printed. You know, you'd just have to compare those two.

Q. But you would have compared it and then say this is the one Ms. Stoddard was saying created that impression?

A. Yes.

Q. There's nothing in there that says, this gives me the impression that?

A. That's right.

Q. So there's an audit trail in QuickBooks but there's not an audit trail in Ms. Stoddard's work, correct?

A. That's true.

Q. And then going down further, paragraph 8 you say: There's some dispute about the integrity and legitimacy of accounting entries and business activity of CCC.

So what's the integrity issue there?

A. Sorry. M-1 totaled $155,000.

Q. That's what I'm saying. If you add up the hundred plus all the $5,000 entries they match $155,000 on M-1.

A. I see what you're saying, yes.

Q. And, in fact, F-2 is the transaction detail, and M-1 is a vendor balance detail and they're not exclusive, are they?

A. No, they're not.

Q. So you double counted those then, didn't you?

A. It appears that, yes, from this report.

Q. But you were sitting in the deposition where Ms. Shirley was testifying and you could have asked that question, had Mr. Arnold ask that question, right?

A. Well, the deposition was after this was written. Was it?

MS. COMEAU-SHIRLEY: (Moves head up and down.)

MR. FARRAR: Stop.

THE DEPONENT: Yes, I could have asked that question.

BY MR. FARRAR:

Exhibit B

STATE OF SOUTH CAROLINA COUNTY OF GREENVILLE	)	IN THE COURT OF COMMON PLEAS C.A. NO.: 2012-CP-23-02887
David Wilson, individually and derivatively on behalf of Carolina Custom Converting, LLC, Plaintiff; vs. John Gandis, Andrea Comeau-Shirley, Zoi Films, LLC, Defendants, John Gandis and Andrea Comeau-Shirley, Third-Party Plaintiffs, vs. Carolina Custom Converting, LLC, Third-Party Defendants.	)	AFFIDAVIT OF **CATHERINE STODDARD, CPA/ABV, CVA**

PERSONALLY appeared before me **CATHERINE STODDARD, CPA/ABV, CVA,** who being duly sworn, deposes and says:

1. I am a Certified Public Accountant (since 1989) in Greenville, South Carolina. I am a Senior Manager employed with Dixon Hughes Goodman, LLP, Certified Public Accountants and Advisors. My practice specializes in the area of forensic accounting, litigation support and business valuations. I have experience valuing businesses and hold the designation ABV which is accredited in business valuation from the American Institute of Certified Public Accountants (AICPA). I also hold the designation CVA which is certified valuation analyst from the National

Association of Certified Valuation Analysts. A copy of my current curriculum vitae is attached hereto and made a part hereof.

2. I was engaged by Mr. David Wilson on March 15, 2013 to assist him with the financial aspects of the case referenced above. Primarily, I have been asked to investigate the accounting records of Carolina Custom Converting, LLC ("CCC") to determine the true economic income and financial position of the CCC. I've also been asked to investigate the extent to which the accounting records have been changed, the impact of these changes, and the timing of these changes as they relate to the litigation referenced above.

3. CCC provides custom slit plastic film for a variety of markets, including industrial applications and food packaging[1]. The tax returns show that this business started on January 1, 2008. Mr. Wilson informs me that he and John Gandis each own 45% of CCC while Andrea Comeau-Shirley owns 10%.[2] The Company uses Quickbooks software for its accounting system. Andrea Comeau-Shirley is primarily responsible for the accounting of CCC and maintenance of Quickbooks records.

4. It is my understanding that David Wilson and John Gandis originally started the company, but Andrea Comeau-Shirley was admitted to the partnership early in its formation. The partnership relationships started to deteriorate in the fall of 2011.

5. The tax returns of CCC show gross revenue in 2009 and 2010 of $1.8 million and $6.9 million, cost of goods sold of $1.5 million (77% of Gross Revenue) and $4.9 million (72% of Gross Revenue), and net income of $97 thousand and $1.3 million, respectively. CCC experienced tremendous growth between 2009 and 2010 and was a profitable, successful business.

6. Mr. Wilson provided me with a CCC financial statement which he printed from

[1] CCC wesbsite www.ccc-films.com
[2] We were not provided copies of the K-1's.

Quickbooks on August 1, 2011 (Exhibit A-1) that shows for the seven months ending August 1, 2011 gross revenue was $3.5 million, Cost of Goods Sold was $2.9 million (83% of Gross Revenue), and net income was $654 thousand. Annualizing these results would equate to annual gross revenue of about $6 million and net income of $1.1 million. These results would have been consistent with the previous year. This financial statement indicates that CCC continued to be profitable and successful through August 1, 2011.

7. After August 1, 2011, the financial records lack consistency. Discerning CCC's financial results is difficult because the records are not reliable. There are significant discrepancies between different sources of financial information. In addition, unusual transactions were made to Quickbooks after August 1, 2011.

Quickbooks[3] reflects gross revenue for 2011 of $5.8 million, Cost of Goods Sold of $5.2 million (93% of Gross Revenue) and a net LOSS of $456 thousand (Exhibit B-1). A financial statement that was provided by CCC in response to a subpoena shows gross revenue for 2011 was $5.8 million[4], Cost of Goods Sold of $5.2 million (90% of Gross Revenue), and a net LOSS of $425 thousand (Exhibit B-2). A tax transcript for 2011 obtained from the Internal Revenue Service[5] shows 2011 gross revenue was reported to be $5.2 million, Cost of Goods Sold were $4.4 million (84% of Gross Revenue), and net LOSS was reported to be $163 thousand (Exhibit B-3). Depending upon the source of financial information, Gross Revenue is reported to be $5.8 million, or $5.2 million for 2011. Cost of Goods Sold is reported to be $5.2 million or $4.4 million. Net income is reported to be a LOSS of $456 thousand, LOSS of $425 thousand, or a LOSS of $163 thousand. While it is not uncommon to make book to tax adjustments for expenses like

[3] Electronic back up as of November 19, 2012 provided by CCC
[4] Operating Revenue appears to be the sum of "Total Income" and "Other Income" from the Quickbooks, Exhibit B-1
[5] This return was received by the IRS on September 17, 2012 per IRS Transcript

depreciation, meals, and donations or to group accounts differently for different reports, it is unusual for there to be inconsistency in the reported Gross Revenue and Cost of Goods Sold. It is also unusual for the detailed accounting records, like Quickbooks, not to match the company's financial statements. I am not aware of any legitimate reason for these discrepancies in CCC's reported financial results. It appears that CCC is keeping or creating multiple sets of accounting records and reports for the purposes other than accurately reporting its historical results.

8. After August 1, 2011, unusual accounting entries were recorded in Quickbooks that drastically changed the reported results of CCC. Through August 1, 2011, CCC's reported revenue and income were consistent with the previous year, and CCC was on track to make a net PROFIT of about $1.1 million (see paragraph 6 above). However, CCC ended the year with a loss of between $163 thousand and $456 thousand (paragraph 7 above). This represents a deterioration of profits in the range of $817 thousand to $1.6 million between August 1, 2011 and December 31, 2011. There is some dispute about the integrity and legitimacy of accounting entries and business activity of CCC after August 1, 2011. However, the decline is at least suspicious. Quickbooks reports indicate that CCC earned $2.1 million in gross revenue during the last five months of 2011 and incurred Cost of Goods Sold of $2.3 million. If this were accurate, CCC sold product during the last 5 months of 2011 for $200 thousand less than CCC's own direct cost. This loss is before considering general and overhead expenses. Cost of Goods Sold as a percentage of Gross Revenue ranged historically from 72% to 83% before August 1, 2011, but changes in Quickbooks reflect Cost of Goods Sold was 111% for the months August through December 2011. The deterioration of CCC's reported financial results continues in 2012 with Quickbooks reporting a Gross Revenue of $3.2 million and a net LOSS of $458 thousand

(Exhibit C-1).

9. Although my analysis is not yet complete, I have found the following accounting entries made after August 1, 2011 in Quickbooks that contributed to the deterioration of CCC's reported financial results:

a. On October 24, 2011, sixty-seven invoices were entered with a "WO" following the invoice number of a previously recorded transaction. These transactions were backdated to accounting periods ranging from April to June 2011. (Exhibit D-1) Between October 24, 2011 and January 27, 2012 an additional 5 transactions fitting this same pattern were entered and posted to accounting periods ranging from May 2011 to December 2011. These invoices show inventory being sold at zero sales dollars. (Exhibit D-2) The effect of these transactions was to increase Cost of Goods Sold (material cost) by $82,421 and remove $82,421 in inventory value from the books of CCC without any corresponding Gross Revenue or sales. (Exhibit D-3). This accounting treatment of sales, cost of sales, and inventory (including scrap) was unusual and did not begin until after August 1, 2011. This accounting treatment doesn't appear to have continued in any significant way after January 27, 2012.

b. On October 24, 2011, three journal entries were recorded to reduce accounts receivable (an asset). These transactions were backdated to July, August, and September 2011. Unlike previous write-offs, these journal entries were non-specific and included no explanations of specific customers. (Exhibit E-1) On December 15, 2011, an additional non-specific write-off was recorded and back dated to November 30, 2011. (Exhibit E-2) These transactions reduce Accounts Receivable (an asset) and increase bad

debt expense by $35,683. Although some of the journal entries include a "name" of "Allowance for Doubtful Accounts" and memo explanation of "Bad Debt Reserve," the transactions did not post to a reserve or allowance account. They were posted to accounts receivable (an asset) and bad debt expense.

c. On December 15, 2011, a journal entry was recorded to accrue legal expenses in the amount of $15,000. (Exhibit F-1) Subsequently, various other legal fees related to the Wilson matter were charged to CCC's books including a forensic investigation of computers. These transactions were entered throughout 2012. On August 12, 2012, an accrual for $100,000 was recorded to legal expense (Exhibit F-2) and on September 2, 2012, a series of accruals were recorded and backdated for the months January through August 2012. Similar accruals were subsequently made in September and October 2012. These accruals total $50,000. (Exhibit F-3) Another entry called "Due to LLC Manager – D&O Reimbursement for Legal" was recorded on September 2, 2012 and backdated to May 31, 2012. (Exhibit F-4) The result of these transactions is to increase legal fees expense and either decrease cash (when a legal expense was paid) or increase an accrued liability (when the fees were accrued but not paid). Total legal fees increased from $10,611 in 2010 to $118,650 in 2011 and $120,357 in 2012. (Exhibit F-5) It appears that John Gandis and Andrea Comeau-Shirley have been paying their legal bills related to the dispute with Wilson through CCC and have accrued additional reserves in CCC to cover expected future payments. These legal fees have decreased net income and net worth of CCC.

d. CCC rents its office from an entity called M-Tec, which is owned by John

Gandis, one of the partners involved in this dispute. CCC paid M-Tec $2,500 per month for a total of $30,000 per year for 2010 and 2011. However, in 2012, rent to M-Tec increased to $6,000 a month for a total of $72,000 for the year. (Exhibit G-1) According to Mr. Wilson, there was no written rent agreement with John Gandis, but this increase was not discussed with or approved by Mr. Wilson.

e. On February 22, 2012, a fixed asset called "Idle Equipment or CWIP: B3-86 Black Clawson DR-15" was removed from the balance sheet and expensed as repairs and maintenance (labor). The February transaction was backdated to October 31, 2011. (Exhibit H-1) Expenses for this asset accumulated during the months May to September 2011.

f. Zoi is an entity started and controlled by John Gandis and Andrea Comeau-Shirley. On August 18, 2012 and October 17, 2012, two vendor invoices were entered that related to an entity named "Zoi." (Exhibit I-1) The invoices were charged as a reduction to sales. The invoices were subsequently "paid" from various cash accounts of CCC in Quickbooks during the period August 2012 through November 2012. (Exhibit I-2) The result of these transactions was to decrease sales and decrease cash by about $190,000. In addition, there were corresponding customer invoices to Zoi. Although we have not yet fully untangled these transactions, it appears that CCC sold inventory to Zoi at reduced prices, often even below cost. These sales invoices to Zoi were paid through a cash clearing account that was offset by these outstanding payable invoices. Sales invoices to Zoi between April 2012 and November 2012 total $246,269. (Exhibit I-3) We have not fully determined the full financial statement impact of these transactions as

often the sales invoice did not represent the full value of the asset being sold to Zoi. John Gandis and Andrea Comeau-Shirley have indicated that Zoi is a subsidiary of CCC.[6] However, Quickbooks does not include the banking activity of Zoi and I have been unable to find any record of Zoi's sales or other financial activity in the Quickbooks records of CCC.

g. Certain transactions appear to be running through the payroll account. Some customer payments are deposited directly to the payroll account instead of the operating account. There are corresponding unusual transactions out of the payroll account. In addition, payroll expense has increased significantly and its increase is illogical in light of other financial statement activity. At this time we have insufficient records to test and fully analyze the payroll accounts. However, the increases in payroll are at least suspicious and inconsistent with the historical expenses and with other financial statement accounts. Furthermore, this treatment of customer deposits first started on August 4, 2011. (Exhibit J-1)

k. A customer sales invoice #2035 to BPR Plastics was originally entered December 1, 2011 for $6,273 (Exhibit K-1, page 18). The invoice was for Trim Waste Sales. The invoice was subsequently voided. After it was voided, additional inventory was added to the sales invoice on December 16, 2011 and January 27, 2012. (Exhibit K-1, pages 12-18). A similar customer sales invoice #2034 was also entered about the same time and voided. Although the invoices were voided, the inventory that was subsequently added to the invoice continues to reduce CCC's inventory and increase Cost of Goods Sold. Total inventory removed from CCC and expensed to Cost of Goods sold through

[6] Answer of Zoi Films, LLC FIRST DEFENSE (f)

sales to BPR Plastics in 2011 was $330,798 (Exhibit K-2). However, CCC only invoiced BPR Plastics $27,845 (Exhibit K-3) for these sales. These invoices represent 352,352 pounds of material. Material was historically sold for $1-$3 per pound with scrap being sold at $0.20 to $0.50 per pound. The result of these transactions was to decrease inventory and increase Cost of Goods (material) expense by $330,787 (Exhibit K-2) and record sales of $27,845 (Exhibit K-3). However, the full financial statement impact could be much larger because the sales value of this inventory is likely higher than its cost. I am still investigating these transactions but the impact could be a reduction in sales of $70 thousand to over $500,000.

l. In June 2012, CCC books started including an additional accrual of a liability for John Gandis. One of the invoices has the following description, "Management and Administrative Services." Most of these transactions were entered in September, October, and November of 2012. However, they were backdated throughout the year 2012. At first amounts were accrued as compensation to John. These accruals were later reversed through a series of vendor payables to John. The result of these transactions is to increase liabilities (either accrued payroll or accounts payable) and increase payroll expense by $95,250. (Exhibit L-1)

m. On October 31, 2012, a series of vendor invoices to Namaste Financial Services were entered and back dated to various months in 2012. Mr. Wilson believes Namaste Financial Services is an entity owned by Andrea Comeau-Shirley. This is the same entity whose name appears as the preparer of the Company's tax returns. These transactions total $155,000. (Exhibit M-1) We have not yet completed our analysis of

the transactions to Namaste Financial Services to determine the full financial impact.

12. Our analysis is ongoing and not yet complete. However, based on the work we have done, it appears that certain accounting entries were made beginning in the fall of 2011 that were unusual in light of the historical transactions heretofore. These transactions had the effect of decreasing assets such as inventory, cash, accounts receivable, and fixed assets, increasing liabilities such as accruals, decreasing gross sales, and increasing expenses. My preliminary analysis also indicates that some assets and sales may have been diverted to related entities that are owned or controlled by Andrea Comeau-Shirley or John Gandis. We do not have adequate records to fully analyze these transactions or to determine the full extent of the impact to the financial statements. These unusual transactions that started in the fall of 2011, have a negative impact on the financial statements of CCC and would negatively impact the valuation of CCC if they are taken at face value.

In order to get an accurate accounting of the financial position and financial activity of CCC, these books and records need to be reconstructed. However, the adjustments that were made to the books of CCC beginning in the fall of 2011 have been buried among detailed sales and expense records and within vendor and sales invoices. Consequently, correcting and re-stating the books of CCC will be a very tedious, time-consuming, and expensive process. CCC needs a complete reconstruction of the financial records for the years 2011 and 2012 in order to get an accurate picture of its income and assets for purposes of a valuation. The manipulation of the books beginning in the fall of 2011 is significant to the overall financial picture and valuation of the Company. We have not yet compared the Quickbooks accounting records to the actual banking transactions or compared the inventory and sales invoices to the shipping records, which

are both necessary steps in this forensic investigation.

13. I have incurred fees of approximately $19,000 to date. I have been paid $16,073. Reconstruction of the accounting records to determine the extent to which assets have been removed by the shareholders since the fall of 2011 and to determine an accurate financial record from which the business interests can be valued, will be an expensive process. It would not be unrealistic to expect additional fees of $75,000 to $100,000 to complete this task.

_____

Catherine Stoddard, CPA/ABV, CVA

SWORN to before me this
_____ day of _____, 2013.
_____(SEAL)
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires:

EXHIBIT A

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Curriculum Vitae

Professional Licenses and Certifications
Certified Public Accountant (CPA), South Carolina, No. 03222, since March 1989
Certified Valuation Analyst (CVA), NACVA, since May 2001
Accredited in Business Valuation (ABV), AICPA, since June 2006
Certified Family Court Mediator, South Carolina Bar, March 2012

Professional Associations
American Institute of Certified Public Accountants (AICPA)
South Carolina Association of Certified Public Accountants (SCACPA), served as member of Business Valuation/Litigation Services sub-committee since 2003, Chair 2008 and 2009
National Association of Certified Valuation Analysts (NACVA)
Institute of Business Appraisers (IBA)
International Academy of Collaborative Professionals (IACP)

Education
BA Accounting, Furman University, December 1986, *Cum Laude*

Specialty Seminars/Conferences

SC Bar Family Court Mediation Training, Greenville, SC, March 22-26, 2012
SC Bar Interdisciplinary Family Collaborative Practice, Charleston, SC, November 4-5, 2011
SC Bar Family Law Intensive, Asheville, NC, October 6 – 8, 2011
National Business Institute, Handling Divorce Cases from Start to Finish, October 5, 2011, faculty speaker
Globalview CPE for Accountants, Buy Sell Agreements, May 27, 2011, speaker
AICPA National Business Valuation Conference, Washington DC, November 7-9, 2010
SCACPA/SC Bar Litigation Conference, Columbia, SC September 16, 2010, speaker
AICPA National Business Valuation Conference, San Francisco, CA November 15 -17, 2009
SCACPA/SC Bar Litigation Conference, Columbia, SC September 17, 2009, speaker
NACVA State Chapter, Columbia, SC December 5, 2008, speaker
SCACPA/SC Bar Litigation Conference, Columbia, SC September 18, 2008, speaker
SCACPA/SC Bar Litigation Conference, Kiawah, SC, September 21-22, 2007, speaker
Institute of Business Appraisers Business Valuation Symposium, Denver CO, June 20-23, 2007
AICPA/ASA National Business Valuation Conference, Las Vegas, NV, November 14 -16,

2005
Current Update in Valuations, Atlanta, GA, September 18, 2004
SCACPA Litigation Conference, Columbia, SC, September 16, 2004
ABV Exam Review, Atlanta, GA, June 14-15, 2004
Critical Issues in Divorce, Telephone Conference, March 23, 2004
SCACPA Litigation Conference, Columbia, SC, September 18, 2003
AICPA/AAML National Conference on Divorce: Property and Complex Financial Issues, Las Vegas, NV, May 16-17, 2002
National Association of Certified Valuation Analysts 2000 Training Seminar, Atlanta, GA, August 21-25, 2000
American Institute of Certified Public Accountants' 2000 National Advanced Divorce Conference; Las Vegas, Nevada, May 20-23, 2000
World Trade Institute seminar; Doing Business in Mexico; Chicago, IL, August 27-29, 1994
American Institute of Certified Public Accountants' National Construction Industry Conference, New Orleans, LA, 1993

Professional Experience

Dixon Hughes Goodman– 2011 to present; Senior Manager Forensic, Litigation Support and Valuation Services.

Stoddard Consulting - 1994 to 2011; Sole Practitioner providing tax, compilation, consulting, litigation support, business valuation, forensic, expert witness, and divorce services.

Suitt Construction Company, Inc. and Suitt International Company, Inc. – 1991 to 1994; Suitt International Company, Inc. was a separate but affiliated company based in the USA with 5 subsidiaries in 3 European Countries and 1 subsidiary in Mexico. Responsibilities included financial reporting including international subsidiaries and job-sites.

Ernst & Young (formerly Ernst & Whinney) - 1987 to 1991; Provided various assurance, tax, and consulting services for public and privately owned companies and retirement plans in the following industries: manufacturing, distribution, healthcare, retail, utilities, and construction.

Testimony Experience

Sauro v Sauro	Family Court, Gaffney, SC	Trial
Maxon v Maxon	Family court, Laurens, SC	Trial
Powell v Powell	Family Court, McCormick, SC	Trial
Holeman v Holeman	Family Court, Greenwood, SC	Trial
Atwell v Atwell	Family Court, Greenville, SC	Trial
Winkler v Winkler	Family Court, Anderson, SC	Trial
Garber v Garber	Family Court, Laurens, SC	Deposition
Dickert v Dickert	Family Court, Greenville, SC	Deposition & Trial
Levato v Levato	Family Court, Greenville, SC	Deposition
Armstrong v Armstrong	Family Court, Greenville, SC	Trial
Johnston v Johnston	Greenville, SC	Arbitration
Scott v Scott	Greenville, SC	Arbitration
Price v Price	Columbia, SC	Deposition and Arbitration
McManus v McManus	Family Court, Greenville, SC	Arbitration
Wilburn v Wilburn	Family Court, Greenville, SC	Trial
Swinford v Swinford	Family Court, Rock Hill, SC	Trial
Duvall v Duvall	Columbia, SC	Arbitration
Conits v Conits	Greenville, SC	Trial
Terry v Terry	Greenville, SC	Deposition and Hearing

Exhibit C

STATE OF SOUTH CAROLINA
COURT OF COMMON PLEAS
COUNTY OF GREENVILLE

DAVID WILSON, INDIVIDUALLY AND
DERIVATIVELY ON BEHALF OF
CAROLINA CUSTOM CONVERTING, LLC,
Plaintiff,
vs. CASE NO. 2012-CP-23-2887
JOHN GANDIS, ANDREA COMEAU-SHIRLEY,
ZOi FILMS, LLC, AND CAROLINA CUSTOM
CONVERTING, LLC,
Defendants.

CAROLINA CUSTOM CONVERTING, LLC,
Counterclaim, Plaintiff,
vs.
DAVE WILSON, STEVEN NORVELL, NEOLOGIC
DISTRIBUTION, INC., AND FRESH WATER
SYSTEMS, INC.,
Counterclaim Defendants.

DEPOSITION OF: DEL L. BRADSHAW AND PETER C. TIFFANY

DATE: September 18, 2014

TIME: 10:04 A.M.

LOCATION: Law Offices of
Smith Moore Leatherwood, LLP
2 West Washington Street, Suite 100
Greenville, SC

TAKEN BY: Counsel for the Defendants John
Gandis, et al.

REPORTED BY: LORI S. MORTGE,
Certified Court Reporter, CCR

invoice did imply that, yes.

Q. Talking about practicing accounting, have you ever agreed to provide hack passwords to any of your clients?

A. Hack passwords?

Q. If your client called and said, I'd like to get into -- I've been fired by this company, I'd like to get into the books and records, would you provide them with passwords of all individual members of the company that they left?

A. Well, first, I'm not an IT person and, secondly, no, I would not.

Q. Yeah. I'm not suggesting you have; okay? I'm just curious. And as I understand the standards of accounting, since we're talking about those and I've seen you do it, you basically plan what you're going to do; correct?

A. Yes.

Q. And you document to leave a trail; correct?

A. Yes.

Q. And you're doing this in a litigation role; correct?

A. Yes.

Q. In this instance. But you understand

it's your professional obligation to leave a trail; correct?

A. Correct.

Q. And it's your professional obligation not to destroy anything you do; correct?

A. Correct.

Q. And do you have a different rule as far as keeping your time entries when you're working on a litigation matter versus an audit in terms of what detail you put in there?

A. No.

Q. You had the opportunity to look at Ms. Stoddard's affidavit; correct?

A. Yes.

Q. Do you agree that Ms. Stoddard's affidavit contained numerous assumptions or erroneous assumptions that she could have dispelled had she done some investigation -- the investigation you did?

A. I think in our report that we stated as such that had she known of the -- the two biggest issues was the inventory waste and the erroneous sale. And had she known of these, I think it would have made a huge difference in any type of projections or annualizations that she made with

regards to her affidavit.

Q. Correct. I believe you say that it would have been inappropriate to annualize the midyear 2011 on year-end; correct?

A. That's correct. And we state in our report we found that the interim financial statements were probably not reliable. And the primary reasons for that, we know for a fact, was the uniqueness of this manufacturing which was it had waste. And that was a significant part and we did -- in our interviews we did confirm that -- Mr. Wilson seemed to have a fair amount of knowledge with regards to that. He did suggest that it was approximately 12 to 15 percent waste with regards to this manufacturing process. So, yes, that's -- that was a big issue.

The current QuickBooks is not equipped, at this moment in time, to account for that without some manual assistance.

Q. Without input?

A. Without input. And it's large enough that it should have been. That would have made the interim financial statements I think more meaningful, just from that standpoint.

Q. It's not unusual for financial

statements not to be as honed as a year-end financial statement, is it?

A. No, it's not, but we find that most of our small business owners, they want to have reliable information. And, for the most part, we found that the banks were being reconciled and we found that accounts receivable and accounts payable seemed to be relatively matched to their detailed records, although there probably was some adjustments for that. Primarily we found that the inventory, the bad sale --

Q. Sale off the dock? Is that what we're calling the bad sale?

A. We found adjustments such as depreciation, things like that, were not made. And so you would have had to do more work on a month-end to make it a little bit more reliable.

Q. But you would have recognized that fairly quickly if you had been brought in and given a month-end statement, wouldn't you, and talked to the owners?

A. No doubt about it, yes. One clarification.

Q. Yes.

A. We would have known about it. Had we

understood the process, the manufacturing process. And once we had gotten into that part of the analysis we would have understood why inventory would have required more adjustments.

Q. And in your role as doing that if you were in Ms. Stoddard's shoes you would have -- and had Mr. Wilson's ear you would have said to him, this is our plan, this is what we need to do, this is what you need to attack, can you explain these things to us as you learn the process; correct?

A. Yes.

Q. That would be the natural course of a professional accountant; right?

A. If I had access to the information, yes, I would have done some of the things necessary or at least inquired or made a list or made a plan as to things that I needed to review and look at to go further with my analysis.

Q. If Ms. Comeau-Shirley had recommended to Mr. Wilson and Mr. Gandis that they hire an in-house accountant and been rejected, would that be some knowledge to you that she had disdained or disclaimed the role of being the in-house accountant if she's telling them to hire one?

A. I don't know that I can render an

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

IN THE COURT OF COMMON PLEAS

David Wilson, individually and derivatively on behalf of Carolina Custom Converting, LLC,

Plaintiff,

vs.

John Gandis, Andrea Comeau-Shirley, ZOi Films, LLC, and Carolina Custom Converting, LLC,

Defendants,

Carolina Custom Converting, LLC,

Counterclaim Plaintiff,

vs.

Dave Wilson, Steven Norvell, Neologic Distribution, Inc., and Fresh Water Systems Inc.,

Counterclaim Defendants.

CERTIFICATE OF SERVICE

C.A. No. 2012-CP-23-2887

The undersigned certifies that on the 24th day of September, 2014, she caused to be served the **Motion to Disqualify Plaintiff's Expert Catherine Stoddard** upon the attorneys for Plaintiff and Co-Defendants, as indicated below, copies of the same addressed to:

VIA HAND DELIVERY
Mr. W. Andrew Arnold
Law Office of W. Andrew Arnold, P.C.
712 East Washington Street
Greenville, SC 29601
Attorney for Plaintiff

VIA EMAIL
Mr. Mason A. Goldsmith
Mr. K. Jay Anthony
Elmore Goldsmith, PA
Post Office Box 1887
Greenville, SC 29602
Attorney for Defendant
John Gandis

VIA EMAIL
Mr. L. Lee Plumblee
Eppes & Plumblee, P.A.
Post Office Box 10066
Greenville, SC 29603
Attorney for Defendant
ZOi Films, LLC

VIA EMAIL
Mr. Thomas L. Stephenson
Stephenson & Murphy, LLC
207 Whitsett Street
Greenville, SC 29601

and

VIA EMAIL
Mr. Burl F. Williams
Nexsen Pruet, LLC
55 East Camperdown Way, Suite 400 (29601)
Post Office Box 10648
Greenville, SC 29603

Attorneys for Defendant
Carolina Custom Converting, LLC

VIA HAND DELIVERY
Mr. Bruce B. Campbell
Horton, Drawdy, Ward, Mullinax & Farry, P.A.
307 Pettigru Street
Greenville, SC 29601
Attorney for Defendants
Steven Norvell, Neologic Distribution, Inc.,
and Fresh Water Systems Inc.

Sharon P. Sean

Legal Assistant to:
Steven E. Farrar (#1960)
Smith Moore Leatherwood LLP
2 West Washington Street, Suite 1100 (29601)
Post Office Box 87
Greenville, SC 29602
(864) 751-7600
(864) 751-7800 (fax)
steve.farrar@smithmoorelaw.com

Attorney for Defendant
Andrea Comeau-Shirley

EXHIBIT B

STATE OF SOUTH CAROLINA COUNTY OF GREENVILLE	IN THE COURT OF COMMON PLEAS
David Wilson, individually and derivatively on behalf of Carolina Custom Converting, LLC, Plaintiff, vs. John Gandis, Andrea Comeau-Shirley, ZOi Films, LLC, and Carolina Custom Converting, LLC, Defendants, Carolina Custom Converting, LLC, Counterclaim Plaintiff, vs. Dave Wilson, Steven Norvell, Neologic Distribution, Inc., and Fresh Water Systems Inc., Counterclaim Defendants.	Civil Action No. 2012-CP-23-02887 **AFFIDAVIT OF JOHN GANDIS**

PERSONALLY APPEARED before me John Gandis who, first being duly sworn, deposes and state as follows:

1. I am a resident of Greenville County, South Carolina.
2. I am over the age of eighteen, and have personal knowledge of the facts stated herein.
3. Following the entry of the judgment in this case, I reviewed old EFS files that Wilson left at CCC. In the limited amount of time I had, I discovered two purchase orders where Wilson purchased film from Edward Sider & Company, an American owned film company. (Attached as Exhibits A & B.) Edward Sider & Company is located in Illinois.

4. I found two occasions where Wilson purchased film from Edward Sider & Company and used that film to supply Modular Metal.

5. Exhibit A, last page, shows that on July 7, 2008 Wilson purchased the following from Edward Sider & Company: "44 gauge clear untreated polyester film – 2.375" x 40.000' on 3" core . . . 1672 rolls on 22 pallets." Exhibit A further requested a ship date of "8-25."

6. I compared the purchase order found in Exhibit A to EFS invoice 4555 found at Plaintiff's Ex. 125, page 1. (Attached as Exhibit C). EFS invoice 4555 is an invoice to Modular Metal. My comparison of these two orders revealed that they were for the exact same product. And my comparison of page two of Exhibit A shows that they were for the same amount of product: 41,863 pounds.

7. Exhibit B is an invoice from Edward Sider & Company made out to EFS. It is dated September 10, 2008. The invoice shows that Wilson purchased 41,489 pounds of polyester film "2-3/8 x 40 MLF."

8. I compared the invoice found in Exhibit B to EFS invoice 4566 found at Plaintiff's Ex. 125, page 2. (Attached as Exhibit D). EFS invoice 4566 is an invoice to Modular Metal. My comparison of this invoice to the invoice found at Exhibit B, page 2, shows that they were for the same product and the same amount of product: 41,489 pounds.

9. The significance of these documents and dates demonstrate that they were issued well past the date that Wilson had indicated that he was "all in." In the case of the Modular Metal orders as well as a number of the Lamborn orders – the purchase orders from the customers themselves were issued AFTER Wilson and I had come to an agreement. The

film was not imported, but rather, it was satisfied through other American supply partners – outside of CCC.

FURTHER AFFIANT SAYETH NAUGHT.

JOHN GANDIS

SWORN and subscribed to before me
this 20th day of January, 2015.

Notary Public for South Carolina

My Commission Expires: My Commission Expires March 16, 2019

JOY H WHITTEN NOTARY PUBLIC SOUTH CAROLINA

EXHIBIT A

E. Sider Company

10/1/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
8/22/2008	Bill	61840	2,094.40	2,094.40		2,094.40
8/25/2008	Bill	61841	49,912.54	49,912.54		49,912.54
					Check Amount	52,006.94

Summit National 52,006.94

REORDER FORM #7200

Edward Sider & Company

REMIT TO: 6042 Eagle Way
Chicago, IL 60678-1060

60 Revere Drive
Suite 770
Northbrook, IL 60062
Phone No. (847) 272-2910
Fax No (847) 272-2990

Bill To: **Eastern Film Solutions LLC**
200 W. Warehouse Ct.
Ste. 100 A4
Taylors, SC 29687

Ship To: **Eastern Film Solutions LLC**
200 W. Warehouse Ct.
Ste. 100 A4
Taylors, SC 29687

Purchase Order Number	Invoice Date	Ship Date & Via	Terms	Invoice No.:
1560	08/25/08	8/25/08 S&W	Net 30	61841

Quantity Shipped		Description	Unit Price		Amount
66880.000	MLF	Polyester Film 2-3/8 x 40 MLF	0.7463	MLF	49912.54
1672.000	RLS		0.0000	RLS	0.00
41863.000	LBS		0.0000	LBS	0.00
22.000	each	Pallets 22 @ 76 rolls	0 0000	each	0.00
		Invoice subtotal			49912.54
		Invoice total			49912.54

Thank You

Edward Sider & Company

REMIT TO: **6042 Eagle Way**
Chicago, IL 60678-1060

60 Revere Drive
Suite 770
Northbrook, IL 60062
Phone No. (847) 272-2910
Fax No. (847) 272-2990

Bill To: **Eastern Film Solutions LLC**
200 W. Warehouse Ct.
Ste. 100 A4
Taylors, SC 29687

Ship To: **Eastern Film Solutions LLC**
200 W. Warehouse Ct.
Ste. 100 A4
Taylors, SC 29687

Purchase Order Number	Invoice Date	Ship Date & Via	Terms	Invoice No..
1560	08/25/08	8/25/08 S&W	Net 30	61841

Quantity Shipped		Description	Unit Price		Amount
66880.000	MLF	Polyester Film 2-3/8 x 40 MLF	0.7463	MLF	49912.54
1672.000	RLS		0.0000	RLS	0.00
41863.000	LBS		0.0000	LBS	0.00
22.000	each	Pallets 22 @ 76 rolls	0 0000	each	0.00
		Invoice subtotal			49912 54
		Invoice total			49912 54

Thank You

Edward Sider & Company

REMTEC 6042 Eagle Way
Chicago, IL 60678-1060

60 Revere Drive
Suite 770
Northbrook, IL 60062
Phone No. (847) 272-2910
Fax No (847) 272-2990

Bill To: **Eastern Film Solutions LLC**
200 W. Warehouse Ct.
Ste. 100 A4
Taylors, SC 29687

Ship To: **Eastern Film Solutions LLC**
200 W. Warehouse Ct.
Ste. 100 A4
Taylors, SC 29687

Purchase Order Number	Invoice Date	Ship Date & Via	Terms	Invoice No.:
1540	08/22/08	8/22/08 Palmetto	Net 30	61840

Quantity Shipped		Description	Unit Price		Amount
3200.000	MLF	Polyester Film 2-1/4 x 40 MLF	0.6545	MLF	2094.40
80.000	RLS		0.0000	RLS	0.00
1981.000	LBS		0.0000	LBS	0.00
1.000	each	Pallets 1 @ 80 rolls	0.0000	each	0.00

Invoice subtotal	2094.40
Invoice total	2094.40

Thank You

Edward Sider & Company

REMIT TO: 6042 Eagle Way
Chicago, IL 60678-1060

60 Revere Drive
Suite 770
Northbrook, IL 60062
Phone No. (847) 272-2910
Fax No. (847) 272-2990

Bill To: **Eastern Film Solutions LLC**
200 W. Warehouse Ct.
Ste. 100 A4
Taylors, SC 29687

Ship To: **Eastern Film Solutions LLC**
200 W. Warehouse Ct.
Ste. 100 A4
Taylors, SC 29687

Purchase Order Number	Invoice Date	Ship Date & Via	Terms	Invoice No.:
1540	08/22/08	8/22/08 Palmetto	Net 30	61840

Quantity Shipped		Description	Unit Price		Amount
3200.000	MLF	Polyester Film 2-1/4 x 40 MLF	0.6545	MLF	2094.40
80.000	RLS		0.0000	RLS	0.00
1981.000	LBS		0 0000	LBS	0.00
1.000	each	Pallets 1 @ 80 rolls	0.0000	each	0.00
		Invoice subtotal			2094 40
		Invoice total			2094.40

Thank You

EDWARD SIDER AND COMPANY

POLYESTER FILM

PACKING LIST

SHIP DATE: August 22, 2008
SHIP VIA: Palmetto State
ORDER NO. 1540
LOT NO:

GAUGE: 44
WIDTH: 2.25"
ROLL/CARTON: See Below

	PALLET NUMBER	ROLLS PER PALLET	LF PER ROLL	GROSS WEIGHT	NET WEIGHT
1	000345	80	40,000	2041	1981
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
	TOTAL	80		2,041	1,981

Eastern Film Solutions LLC

200 W. Warehouse Ct
Suite 200 A4
Taylors, SC 29687
864-244-5667

Purchase Order

Date	P.O. No
5/1/2008	1540

Vendor	Ship To
E. Sider Company 60 Revere Drive Suite 770 Northbrook, IL 60062	Eastern Film Solutions 200 W. Warehouse Ct. Suite 200 A4 Taylors, SC 29687

Item	Description	Qty	Rate	Amount
44 DMTL	44 gauge clear untreated polyester film - 1.75" x 40,000' on 3" core 200 rolls on 2 pallets	3,738	1.0899	4,074.05
44 DMTL	44 gauge clear untreated polyester film - 2 25" x 40,000' on 3" core 240 rolls on 3 pallets	5,769	1.0899	6,287.63
44 DMTL	44 gauge clear untreated polyester film - 3 375" x 40,000' on 3" core 104 rolls on 2 pallets need this ready to ship by June 10	3,748	1.0899	4,084 95
44 DMTL	44 gauge clear untreated polyester film- 1.75" x 40,000' on 3" core 200 rolls on 2 pallets	3,738	1 0899	4,074.05
44 DMTL	44 gauge clear untreated polyester film - 2.25" x 40,000' on 3" core 160 rolls on 2 pallets	3,846	1.0899	4,191.76
44 DMTL	44 gauge clear untreated polyester film - 3 375" x 40,000' on 3" core 104 rolls on 2 pallets need this to ship by June 30	3,748	1.0899	4,084.95

S.O. No.		Total	$26,797.39

Phone #	Fax #
8642445667	4197914765

EDWARD SIDER AND COMPANY

POLYESTER FILM

PACKING LIST

SHIP DATE: June 13, 2008
SHIP VIA: Smith & Waters
ORDER NO. 1540
LOT NO:

GAUGE: 44
WIDTH: 3 3/8"
ROLL/CARTON: See Below

	PALLET NUMBER	ROLLS PER PALLET	LF PER ROLL	TOTAL MLF PER PALLET	GROSS WEIGHT	NET WEIGHT
1	003673	56	40,000	2,240	2077	2016
2	03674	56	40,000	2,240	2102	2041
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
	TOTAL	**112**		**4,480**	**4,179**	**4,057**

EDWARD SIDER AND COMPANY

POLYESTER FILM

PACKING LIST

SHIP DATE: June 13, 2008
SHIP VIA: Smith & Waters
ORDER NO. 1540
LOT NO:

GAUGE: 44
WIDTH: 2 1/4"
ROLL/CARTON: See Below

	PALLET NUMBER	ROLLS PER PALLET	LF PER ROLL	TOTAL MLF PER PALLET	GROSS WEIGHT	NET WEIGHT
1	001713	80	40,000	3,200	2019	1954
2	001714	80	40,000	3,200	1984	1909
3	01715	80	40,000	3,200	2000	1932
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
	TOTAL	**240**		**9,600**	**6,003**	**5,795**

EDWARD SIDER AND COMPANY

POLYESTER FILM

PACKING LIST

SHIP DATE: June 13, 2008
SHIP VIA: Smith & Waters
ORDER NO. 1540
LOT NO:

GAUGE: 44
WIDTH: 1 3/4"
ROLL/CARTON: See Below

	PALLET NUMBER	ROLLS PER PALLET	LF PER ROLL	TOTAL MLF PER PALLET	GROSS WEIGHT	NET WEIGHT
1	000085	96	40,000	3,840	1836	1771
2	000086	96	40,000	3,840	1840	1775
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
	TOTAL	192		7,680	3,676	3,546

Eastern Film Solutions LLC

200 W. Warehouse Ct
Suite 200 A4
Taylors, SC 29687
864-244-5667

Purchase Order

Date	P.O. No.
7/7/2008	1560

Vendor	Ship To
E. Sider Company 6042 Eagle Way Chicago, IL 60678-1060	Eastern Film Solutions customer arranged

Item	Description	Qty	Rate	Amount
44 DMTL	44 gauge clear untreated polyester film - 2.375" x 40,000' on 3" core $29.85/roll 1672 rolls on 22 pallets roll labels will be provided by Eastern Film Solutions Requested ship date is 8-25	42,000	1.18	49,560.00

S.O. No.	1246	Total	$49,560.00

Phone #	Fax #
8642445667	4197914765

EXHIBIT B

E. Sider Company

10/16/2008

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
9/10/2008	Bill	61951	49,912.54	49,912.54		49,912.54
				• Check Amount		49,912 54

Summit National 49,912.54

REORDER FORM #7200

Edward Sider & Company

REMIT TO: 6042 Eagle Way
Chicago, IL 60678-1060

60 Revere Drive
Suite 770
Northbrook, IL 60062
Phone No (847) 272-2910
Fax No. (847) 272-2990

Bill To: **Eastern Film Solutions LLC**
200 W. Warehouse Ct.
Ste. 100 A4
Taylors, SC 29687

Ship To: **Eastern Film Solutions LLC**
200 W. Warehouse Ct.
Ste. 100 A4
Taylors, SC 29687

Purchase Order Number	Invoice Date	Ship Date & Via	Terms	Invoice No.:
1561	09/10/08	9/10/08 S&W	Net 30	61951

Quantity Shipped		Description	Unit Price		Amount
66880.000	MLF	Polyester Film 2-3/8 x 40 MLF	0.7463	MLF	49912.54
1672.000	RLS		0.0000	RLS	0.00
41489.000	LBS		0.0000	LBS	0.00
22.000	each	Pallets 22 @ 76 rolls	0.0000	each	0.00
		Invoice subtotal			49912 54
		Invoice total			49912 54

Thank You

Edward Sider & Company

REMIT TO: 6042 Eagle Way
Chicago, IL 60678-1060

60 Revere Drive
Suite 770
Northbrook, IL 60062
Phone No (847) 272-2910
Fax No (847) 272-2990

Bill To: **Eastern Film Solutions LLC**
200 W. Warehouse Ct.
Ste. 100 A4
Taylors, SC 29687

Ship To: **Eastern Film Solutions LLC**
200 W. Warehouse Ct.
Ste. 100 A4
Taylors, SC 29687

Purchase Order Number	Invoice Date	Ship Date & Via	Terms	Invoice No :
1561	09/10/08	9/10/08 S&W	Net 30	61951

Quantity Shipped		Description	Unit Price		Amount
66880.000	MLF	Polyester Film 2-3/8 x 40 MLF	0 7463	MLF	49912.54
1672.000	RLS		0.0000	RLS	0.00
41489.000	LBS		0.0000	LBS	0 00
22.000	each	Pallets 22 @ 76 rolls	0.0000	each	0.00
		Invoice subtotal			49912.54
		Invoice total			49912.54

Thank You

EXHIBIT C

Eastern Film Solutions LLC

25 Woods Lake Rd.
Suite 307
Greenville, SC 29607
864 250 9898

Invoice

Date	Invoice #
8/25/2008	4555

PAID 09/09/2008

Bill To	Ship To
Modular Metal Fabricators 2540 Nandina Ave. Moreno Valley, CA 92551	Modular Metal Fabricators 2540 Nandina Ave. Moreno Valley, CA 92551

S.O. No.	P.O. No.	Terms	Project
1246	mike	net 10	

Item	Description	Ordered	Prev. Invoic. .	Invoiced	U/M	Rate	Amount
44 DMTL	44 gauge clear untreated polycster film - 2.375" x 40,000' on 3" core 1672 rolls on 22 pallets	42,000	0	41,863		1.60	66,980 80

Total	$66,980.80
Payments/Credits	-$66,980.80
Balance Due	$0 00

PLAINTIFF'S EXHIBIT 125

PENGAD 000-631-6989

EXHIBIT D

Eastern Film Solutions LLC

25 Woods Lake Rd.
Suite 307
Greenville, SC 29607
864 250 9898

Invoice

Date	Invoice #
9/10/2008	4566

PAID 09-26-2008

Bill To	Ship To
Modular Metal Fabricators 2540 Nandina Ave. Moreno Valley, CA 92551	Modular Metal Fabricators 2540 Nandina Ave. Moreno Valley, CA 92551

S.O. No	P.O. No.	Terms	Project
1247	mike	1.5% 10, net 30	

Item	Description	Ordered	Prev. Invoic...	Invoiced	U/M	Rate	Amount
44 DMTL	44 gauge clear untreated polyester film - 2.375" x 40,000' 1672 rolls on 22 pallets	42,000	0	41,489		1.60	66,382.40

Total	$66,382.40
Payments/Credits	-$66,382.40
Balance Due	$0.00

22661

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

RECEIVED
JUN 22 2016
SC Court of Appeals

APPEAL FROM GREENVILE COUNTY
Circuit Court

D. Garrison Hill, Circuit Court Judge

Appellate Case No. 2015-000476

Case No. 2012-CP-23-02887

David Wilson, individually and derivatively on behalf of Carolina Custom Converting, LLC, Plaintiff,

v.

John Gandis, Andrea Comeau-Shirley, Zoi Films, LLC, and Carolina Custom Converting, LLC, Defendants,

John Gandis and Andrea Comeau-Shirley, Third-Party Plaintiffs,

v.

Carolina Custom Converting, LLC, Third-Party Defendant and Counterclaim Plaintiff,

v.

David Wilson, Steve Norvell, Neologic Distribution, Inc. and Fresh Water Systems, Inc.,

Of Whom David Wilson, Neologic Distribution, Inc. and Fresh Water Systems, Inc. are the Respondents,

and

John Gandis, Andrea Comeau-Shirley, and Carolina Custom Converting, LLC, are the Appellants.

RECORD ON APPEAL
VOLUME V

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INDEX

Transcript of Record dated September 29-30, 2014 & October 1-3, 2014 1

Testimony

John Gandis Direct by Mr. Arnold 16
John Gandis Cross by Mr. Stephenson 199
John Gandis Redirect by Mr. Arnold 261

Mike Myers Direct by Mr. Arnold 292
Mike Myers Cross by Mr. Stephenson 306
Mike Myers Redirect by Mr. Arnold 316

William Ranier Shaw Direct by Mr. Arnold 317
William Ranier Shaw Cross by Mr. Stephenson 332
William Ranier Shaw Redirect by Mr. Arnold 337

Bruce Hotmer Direct by Mr. Arnold 339
Bruce Hotmer Cross by Mr. Stephenson 356
Bruce Hotmer Redirect by Mr. Arnold 358

Dave Wilson Direct by Mr. Arnold 359
Dave Wilson Cross by Mr. Stephenson 464
Dave Wilson Cross by Mr. Farrar 534
Dave Wilson Cross by Mr. Campbell 542
Dave Wilson Redirect by Mr. Arnold 543

Del Bradshaw Direct by Mr. Farrar 567
Del Bradshaw Cross by Mr. Arnold 588
Del Bradshaw Redirect by Mr. Farrar 610
Del Bradshaw Recross by Mr. Arnold 616
Del Bradshaw Examination by the Court 616
Del Bradshaw Further Examination by Mr. Arnold 617

Andrea Comeau-Shirley Direct by Mr. Farrar 618
Andrea Comeau-Shirley Cross by Mr. Arnold 685
Andrea Comeau-Shirley Redirect by Mr. Farrar 719

Steve Norvell Direct by Mr. Stepehnson 728

Catherine Stoddard Direct by Mr. Arnold 769
Catherine Stoddard Cross by Mr.Farrar 774
Catherine Stoddard Cross by Mr. Goldsmith 794
Catherine Stoddard Examination by the Court 801
Catherine Stoddard Recross by Mr. Farrar 803
Catherine Stoddard Redirect by Mr. Arnold 804
Catherine Stoddard Further Examination by Mr. Farrar 804

Charles Alford Direct by Mr. Williams 809
Charles Alford Cross by Mr. Arnold 836
Charles Alford Cross by Mr. Farrar 855
Charles Alford Examination by the Court 858
Charles Alford Recross by Mr. Arnold 860
Charles Alford Recross by Mr. Farrar 862

John Gandis Direct by Mr. Williams 867
John Gandis Cross by Mr. Arnold 904
John Gandis Redirect by Mr. Williams 921

Transcript of Record dated December 6, 2012 – Page 7 973
Plaintiff's Trial Exhibit 1 976
Plaintiff's Trial Exhibit 3 980
Plaintiff's Trial Exhibit 4 990
Plaintiff's Trial Exhibit 6 1000

Plaintiff's Trial Exhibit 10 1002
Plaintiff's Trial Exhibit 14 1003
Plaintiff's Trial Exhibit 17 1006
Plaintiff's Trial Exhibit 21 1009
Plaintiff's Trial Exhibit 22 1011
Plaintiff's Trial Exhibit 23 1013
Plaintiff's Trial Exhibit 24 1014
Plaintiff's Trial Exhibit 25 1018
Plaintiff's Trial Exhibit 29 1023
Plaintiff's Trial Exhibit 31 1025
Plaintiff's Trial Exhibit 32 1030
Plaintiff's Trial Exhibit 33 1033
Plaintiff's Trial Exhibit 34 1035
Plaintiff's Trial Exhibit 35 1038
Plaintiff's Trial Exhibit 36 1040
Plaintiff's Trial Exhibit 39 1042
Plaintiff's Trial Exhibit 41 1045
Plaintiff's Trial Exhibit 42 1047
Plaintiff's Trial Exhibit 43 1050
Plaintiff's Trial Exhibit 44 1053
Plaintiff's Trial Exhibit 45 1055
Plaintiff's Trial Exhibit 46 1059
Plaintiff's Trial Exhibit 47 1061
Plaintiff's Trial Exhibit 48 1064
Plaintiff's Trial Exhibit 49 1066
Plaintiff's Trial Exhibit 50 1075
Plaintiff's Trial Exhibit 59 1079
Plaintiff's Trial Exhibit 61 1092
Plaintiff's Trial Exhibit 62 1094
Plaintiff's Trial Exhibit 76 1096
Plaintiff's Trial Exhibit 82 1100

Plaintiff's Trial Exhibit 84 1102
Plaintiff's Trial Exhibit 85 1103
Plaintiff's Trial Exhibit 86 1105
Plaintiff's Trial Exhibit 88 1107
Plaintiff's Trial Exhibit 92 1110
Plaintiff's Trial Exhibit 97 1113
Plaintiff's Trial Exhibit 98 1115
Plaintiff's Trial Exhibit 100 1120
Plaintiff's Trial Exhibit 106 1125
Plaintiff's Trial Exhibit 107 1130
Plaintiff's Trial Exhibit 108 1134
Plaintiff's Trial Exhibit 109 1136
Plaintiff's Trial Exhibit 113 1138
Plaintiff's Trial Exhibit 116 1144
Plaintiff's Trial Exhibit 127 1171
Plaintiff's Trial Exhibit 129 1194
Plaintiff's Trial Exhibit 132 1197
Plaintiff's Trial Exhibit 133 1198
Plaintiff's Trial Exhibit 134 1201
Plaintiff's Trial Exhibit 135 1205
Plaintiff's Trial Exhibit 136 1206
Plaintiff's Trial Exhibit 138 1207
Plaintiff's Trial Exhibit 139 1216
Plaintiff's Trial Exhibit 163 1219
Plaintiff's Trial Exhibit 165 1226
Plaintiff's Trial Exhibit 177 1231
Plaintiff's Trial Exhibit 180 1241
Court's Exhibit 1 – Exhibit 20 Bradshaw Report 1281
Defendants' Trial Exhibit 10 1285
Defendants' Trial Exhibit 100 1287
Defendants' Trial Exhibit 102 1288

Defendants' Trial Exhibit 113 1310
Defendants' Trial Exhibit 115 1312
Defendants' Trial Exhibit 117 1313
Defendants' Trial Exhibit 122 1314
Defendants' Trial Exhibit 126 1318
Defendants' Trial Exhibit 129 1328
Defendants' Trial Exhibit 132 1329
Defendants' Trial Exhibit 134 1330
Defendants' Trial Exhibit 135 1333
Defendants' Trial Exhibit 136 1334
Defendants' Trial Exhibit 147 1336
Defendants' Trial Exhibit 149 1337
Defendants' Trial Exhibit 151 1338
Defendants' Trial Exhibit 153 1339
Defendants' Trial Exhibit 154 1340
Defendants' Trial Exhibit 157 1342
Defendants' Trial Exhibit 159 1344
Defendants' Trial Exhibit 160 1368
Defendants' Trial Exhibit 166 1369
Defendants' Trial Exhibit 168 1384
Defendants' Trial Exhibit 169 1385
Defendants' Trial Exhibit 172 1387
Defendants' Trial Exhibit 173 1390
Defendants' Trial Exhibit 174 1394
Defendants' Trial Exhibit 176 1401
Defendants' Trial Exhibit 179 1428
Defendants' Trial Exhibit 180 1430
Defendants' Trial Exhibit 181 1458
Defendants' Trial Exhibit 182 1517
Defendants' Trial Exhibit 183 1521
Defendants' Trial Exhibit 22 1525

Defendants' Trial Exhibit 25 1528
Defendants' Trial Exhibit 31 1529
Defendants' Trial Exhibit 4 1531
Defendants' Trial Exhibit 40 1532
Defendants' Trial Exhibit 43 1534
Defendants' Trial Exhibit 46 1588
Defendants' Trial Exhibit 47 1606
Defendants' Trial Exhibit 51 1607
Defendants' Trial Exhibit 52 1609
Defendants' Trial Exhibit 53 1610
Defendants' Trial Exhibit 54 1612
Defendants' Trial Exhibit 55 1616
Defendants' Trial Exhibit 56 1621
Defendants' Trial Exhibit 57 1622
Defendants' Trial Exhibit 62 1623
Defendants' Trial Exhibit 63 1624
Defendants' Trial Exhibit 64 1627
Defendants' Trial Exhibit 65 1629
Defendants' Trial Exhibit 66 1654
Defendants' Trial Exhibit 67 1656
Defendants' Trial Exhibit 68 1670
Defendants' Trial Exhibit 69 1673
Defendants' Trial Exhibit 7 1677
Defendants' Trial Exhibit 70 1684
Defendants' Trial Exhibit 72 1687
Defendants' Trial Exhibit 73 1688
Defendants' Trial Exhibit 74 1692
Defendants' Trial Exhibit 75 1695
Defendants' Trial Exhibit 76 1697
Defendants' Trial Exhibit 77 1706
Defendants' Trial Exhibit 78 1709

Defendants' Trial Exhibit 79 1730
Defendants' Trial Exhibit 8 1752
Defendants' Trial Exhibit 81 1757
Defendants' Trial Exhibit 82 1760
Defendants' Trial Exhibit 95 1763
Order filed January 9, 2015 1770
Bond Order filed July 24, 2015 1790
Order Denying Defendants' Rule 59 Motion filed January 28, 2015 1794
Protective Order filed November 26, 2012 1797
Order filed October 28, 2013 1801
Order for Accounting filed October 22, 2013 1806
Rule 59 Motion for New Trial and/or Reconsideration filed January 20, 2015 1814
Defendants' Memorandum in Opposition to Plaintiff's Motion for Partial Summary Judgment June 20, 2014 (including attachments) 1925
Motion to Exclude Stoddard September 9, 2014 2136
Summons and Complaint filed April 27, 2012 2203
Answer dated July 3, 2012 2219
Response to Counterclaim dated July 16, 2012 2244
Amended Complaint filed October 10, 2012 2248
Second Amended Complaint filed September 20, 2013 2265
CCC Answer and Counterclaims to Second Amended Complaint November 19, 2013 2283
Shirley Answer and Counterclaims to Second Amended Complaint November 15, 2013 2309
Gandis Answer and Counterclaims to Second Amended Complaint November 18, 2013 2329
Reply to Counterclaims and Answer to Third-Party Complaint of Steven Norvell, Neologic Distribution, Inc. and Fresh Water Systems, Inc. dated May 16, 2014 2364
CCC Response to Norvel, Neologic and Fresh Water's Counterclaims dated June 11, 2014 2376

Neologic Distribution Inc. Deposition, pp. 14, 18 2381
William Shaw Deposition, p. 63 2391
Transcript of Record dated December 6, 2012 – Page 7 2394
Certificate of Counsel 2397

FILED - CLERK OF COURT
GREENVILLE CO. S.C.
PAUL J. KLEIN

STATE OF SOUTH CAROLINA

COUNTY OF GREENVILLE

2014 JUN 20 PM 12 20

IN THE COURT OF COMMON PLEAS

David Wilson, individually and derivatively on behalf of Carolina Custom Converting, LLC, Plaintiff, vs. John Gandis, Andrea Comeau-Shirley, ZOi Films, LLC, and Carolina Custom Converting, LLC, Defendants, Carolina Custom Converting, LLC, Counterclaim Plaintiff, vs. Dave Wilson, Steven Norvell, Neologic Distribution, Inc., and Fresh Water Systems Inc., Counterclaim Defendants.	Civil Action No. 2012-CP-23-02887 **MEMORANDUM IN OPPOSITION TO PLAINTIFF'S MOTION FOR PARTIAL SUMMARY JUDGMENT**

Plaintiff David Wilson ("Wilson") has moved this Court to enter an order dissolving Carolina Custom Converting, LLC ("CCC" or the "Company") and appointing a receiver to sell off its assets. Wilson's motion is an outrageous overreach that, respectfully, should be denied.

INITIAL STATEMENT

Before undertaking a background discussion of the case and the absence of merit to Wilson's motions, it is important to underscore a few salient facts. Wilson left CCC on January 18, 2012. At the time he left, CCC had 23 employees; today, the Company has 18 employees. Wilson took with him a list of all of CCC's customers, distributors, its prospective customers, and current pricing information for the same ("confidential property"). Within months of

leaving, Wilson joined a company named Neologic Distribution Inc. ("Neologic"). At Neologic, Wilson began engaging in exactly the same work that he did at CCC. The Company does not take any issue with Wilson for seeking to earn a livelihood or compete with CCC. It does, however, take issue with his decision to take its confidential property, and use that property to compete. To be clear, Neologic and CCC are in direct competition with one another. It is against the backdrop of those facts that Wilson is asking this Court to shutter his and Neologic's competition.

WILSON'S THREE LEGGED STOOL HAS NO LEGS

Wilson's argument in support of summary judgment rests upon three main premises that he argues lead to the conclusion that this was a squeeze out. They are as follows: (1) Wilson was guaranteed a monthly draw; (2) Gandis was required to capitalize the company forever; and (3) there was an agreed to operating agreement. Each premise is factually disputed; in fact, it is Gandis' sworn testimony that they are incorrect. Once the premises upon which Wilson's memorandum are set aside, the follow-on analysis shows that this is just a dispute between a member that demanded to be treated differently than the other members regarding financial compensation. And when that member was not accorded the special treatment he sought, he left. This was not a squeeze out; this was a case of frustration of one member's failed economic expectations.

The memorandum in opposition to Wilson's motion is supported by affidavit and documentary testimony of John Gandis ("Gandis"), Andrea Comeau-Shirley ("ACS"), John E. Zamer Esq. ("Zamer"), and Kenny McLean ("McLean" the principal at Computer Forensics Lab) Importantly, Wilson did not support his motion with an affidavit. Instead, Wilson decided to pick apart various sentences of e-mails and draw inferences from those snippets in an effort to

manufacture a squeeze out narrative. In addition, he has cited to deposition testimony of witnesses and asks this Court to draw inferences from that testimony in an effort to mold his argumentative narrative. This is not the stuff of summary judgment.

The subject motion for summary judgment should be summarily denied. First, the parties are still in discovery. *Baughman v. AT&T Co.*, 306 S.C 101,112, 410 S.E.2d 537, 543 (1991) (noting that "summary judgment must not be granted until the opposing party has had a full and fair opportunity to complete discovery"). Second, South Carolina courts view summary judgment as a "drastic remedy" that should be "cautiously invoked so that no person will be improperly deprived of a trial of the disputed factual issues." *Id.* at 112, 410 S.E.2d at 543. Accordingly, and as the Court is well aware, the question before the Court is whether there is a scintilla of evidence in dispute. *Hancock v. Mid-South Mgmt Co.*, 381 S.C. 326, 330, 673 S.E.2d 801, 802 (2009). There is that and plenty more.

BACKGROUND DISCUSSION

1. Formation of the Company and the Parties' Agreement

For a complete background discussion of the formation of CCC, and the events that gave rise to Wilson's decision to resign from the Company, the undersigned direct the Court to the Gandis, and ACS Affidavits incorporated herein and filed with the subject memorandum in opposition to partial summary judgment and receivership, and attached as ***Exhibits A & B***. Moreover, for a discussion of almost every point raised by Wilson in his selective and misleading analysis of the ACS e-mails, the Court is referred to the detailed ACS Affidavit, ***Exhibit B***. A brief discussion of the formation of CCC and Wilson's decision to leave the Company follows.

A. Formation of CCC

Wilson and Gandis first met a number of years ago while both were doing work for VyTech Industries. VyTech went out of business in the early part of 2006, and Gandis shifted his energies to finding a new way to support his family. Wilson and Gandis first decided to go into the perforation services business—punching holes in film. (Gandis Affidavit, ¶ 6). They made a go at this work with the aid of a small machine company owned by Gandis; that company owned the equipment that could provide the perforation work. (Gandis Affidavit, ¶ 6). Wilson's job was to sell the service. It was not a successful venture and the parties moved on to another one. (Gandis Affidavit, ¶ 6).

The next joint venture was in the film slitting business—cutting film to specific widths. Gandis used the same small machine shop to attempt to provide film slitting services to various film companies and for Eastern Film Solutions, LLC ("EFS"), a company previously owned and operated by Wilson. (Gandis Affidavit, ¶ 7). As the months went by, however, it became clear to Gandis that solely operating as a contract film slitting company was not a money making endeavor. (Gandis Affidavit, ¶ 7).

Not making any money, Gandis told Wilson that they should probably part ways. (Gandis Affidavit, ¶ 7). Wilson, however, had a different idea. What if we roll EFS into CCC, and both slit and sell film. (Gandis Affidavit, ¶ 8). Acting on this new idea, in the first part of 2008, CCC leased and opened an office in Greenville for Wilson to perform the sales and purchasing function of CCC. (Gandis Affidavit, ¶ 9). Wilson was in charge of all of the film sales and purchasing component of the Company. (Gandis Affidavit, ¶ 9). Gandis was in charge of the operations and management side of the Company. (Gandis Affidavit, ¶ 9).

The integration of EFS into CCC was not an overnight event. But by July 1, 2008, the deal was done. July 1, 2008 is the start date because that is the date that Wilson began to receive $8,000 per month from CCC. (Gandis Affidavit, ¶¶ 14-17). The company was now in full swing, or at least that is what Gandis thought. (*See infra* Part II.A).

In later 2008, ACS was brought into the company to help provide tax preparation services and strategic business advisory services. (ACS Affidavit, ¶6). In return for this work, it was agreed that she would receive a "fixed equity interest." (ACS Affidavit, ¶6).

B. Agreement of the Parties

a. *Monthly Draws*

Wilson argues that his monthly draws were guaranteed. (Wilson Memorandum, pp. 5,7,14,16). Wilson's monthly draws were not guaranteed. (Gandis Affidavit, ¶ 16). They were funded with Gandis' personal money, and with the understanding that they were temporary. (Gandis Affidavit, ¶ 18). It is important to clarify here that the other members of CCC were not receiving monthly draws.

The whole idea behind the monthly draw was that they would follow from available cash from the "profits on the accounts" that he was bringing to CCC. (Gandis Affidavit, ¶ 16). Moreover, the agreement to provide an initial monthly draw to Wilson was in consideration for his promise to exclusively devote all of his energies in the film business on CCC. In Wilson's own words: "If I am to focus all my efforts in the film business on CCC, I am foregoing opportunities to earn money on those opportunities outside of CCC." (Wilson Exhibit Book, Ex 5); (Gandis Affidavit, ¶17). (As discussed *infra*, Wilson did not comply with his promise.) It is important to understand that Gandis agreed to initially fund monthly draws for Wilson based upon this agreement. (Gandis Affidavit, ¶16-17). Wilson was an owner of the company, not an

employee. As with all companies, in order for the owners to receive compensation, the company must generate sufficient cash above and beyond its operational requirements.

Relevant here is also the substance of what Wilson brought to CCC. The deal was the Wilson would roll EFS into CCC. Accordingly, it is helpful to understand what EFS entailed. Gandis describes this in his affidavit:

> Wilson was EFS; there were no other employees; there were almost no assets beyond office type supplies. In fact, as I later learned, when Wilson rolled EFS into CCC and began receiving a monthly draw, he received a significant boost in his monthly income compared to what he was making operating EFS on his own. Moreover, the customers that he brought to CCC did not stay. In short, Wilson's contribution of EFS to CCC was essentially Wilson, his knowledge of the film industry and contacts in the same.

(Gandis Affidavit, ¶20). At the June 26, 2013 hearing, Counsel for Wilson described the contribution as follows: "prior to the time of forming this business, he had been in the film business for a number of years and had his own business at the time, and brought a book of business, ***which he values at about a million dollars to the table.***" (June 26, 2013 Transcript, p.3, incorporated herein and attached as ***Exhibit C***). It is safe to say that that valuation is seriously disputed.

b. Gandis' Capital Obligations

Wilson's memorandum makes the argument that Gandis was required to provide capital for the Company's operations for its entire existence. (Wilson Memorandum, pp. 9-10). Gandis disagrees. (Gandis Affidavit, ¶¶18-19, 21-22). Wilson even goes so far as to suggest that it was improper for Gandis to pay down a line of credit and not use it for the Company any longer, as opposed to leaving his line of credit open for the Company and presumably, to pay Wilson's tax liability. (Wilson Memorandum, p.9-10). That argument is not supported by the parties' agreement. (Gandis Affidavit, ¶¶18-19, 21-22). The argument also lacks any foundation in

common sense business practices. As Gandis notes, "the goal was that CCC would become self-sufficient; if it could not become self-sufficient, then like any other business venture, it would ultimately fail." (Gandis Affidavit, ¶18).

c. The Operating Agreement

Wilson's memorandum makes the argument there was an agreed upon oral operating agreement. (Wilson Memorandum, pp. 3-4). Gandis disagrees. (Gandis Affidavit, ¶¶10-13). Because Gandis agreed to provide the start-up capital, it was always agreed that he had absolute decision making authority. (Gandis Affidavit, ¶13); *see also* ACS Affidavit ¶ 53 (noting that she only accepted membership "after having both members confirm for me that the voting arrangement was 51% (and not unanimity)). Wilson's running theme, throughout his memorandum, that certain actions violated a so-called operating agreement, is not correct.

Wilson attempts to make this argument by citing to the deposition testimony of Gandis. Here is what Gandis had to say upon seeing the so-called operating agreement: "When I was confronted with this document during my deposition, my first response was that '[t]his looks like Andrea's – this looks like Namaste's questionnaire.'" (Gandis Affidavit, ¶10). He further testified that this "was not made for CCC." (Gandis Affidavit, ¶10). Gandis explained that this "questionnaire would have been made for DecoTex and I think I might have altered the top before I went to go see Potts to get him moving." (Gandis Affidavit, ¶10).

In short, the document was given to the lawyer so that he could start drafting something for them to work off of. Gandis notes that "on more than one occasion I tried to get Wilson to engage and agree to an operating agreement." (Gandis Affidavit, ¶12). Wilson, however, would never discuss the issue.

C. What Went Wrong: *Too Much Inventory*

Fast forward to 2011. The Company had just finished a banner year, having generated over $1 million in net revenue in 2010. (Gandis Affidavit, ¶ 23). The company did not, however, set aside that revenue for the owners. Wilson as vice president of sales and purchasing, poured the vast majority of that cash back into the purchase of film stock. (Gandis Affidavit, ¶ 23). Because Wilson invested the vast majority of the net revenue into film stock, that meant that the Company did not have cash to distribute to its owners in 2011. That fact set the stage for Wilson's frustrated economic expectations, and ultimately, his decision to leave the Company. A brief digression into accounting principles followed by a more complete discussion of this episode is in order.

A limited liability company ("LLC") is taxed as a pass through entity. (ACS Affidavit, ¶12-17). In the accounting world, there is a term known as "phantom income." Phantom income is an accounting term given to taxable income reported to the Internal Revenue Service (by pass-through entities, including LLCs) that hasn't been distributed to the members. It's called "phantom" because it only exists on paper. (ACS Affidavit, ¶12-17). Phantom income arises in cases where the LLC needs operating capital to expand, or to purchase inventory. (ACS Affidavit, ¶12-17).

An example helps illustrate the point. On paper an LLC may have $80,000 in distributable profit in a given year, but if it uses $40,000 to purchase inventory, the owner is still taxed on the full $80,000. Uncle Sam expects the owner to pay taxes on $80,000.

"Carolina Custom Converting reported phantom income to its owners in 2010 predominantly as a result of a significant investment in inventory." (ACS Affidavit, ¶18).

"Specifically, the company used more than $850,000 of its profits to acquire inventory as of year-end 2010." (ACS Affidavit, ¶18). As the vice president of sales and purchasing, it was Wilson alone who bore the responsibility for both the film purchasing activities and sales; he was also responsible for failing to liquidate film stocks required to generate cash. (ACS Affidavit, ¶19).

By the end of 2010, Wilson built up the company's film stocks "in excess of typical levels (after he had been counseled on appropriate 'safe harbor' levels for the various film types)." (ACS Affidavit, ¶19). "In planning for tax obligations, Wilson had been advised that a reduction of approximately 15% in inventory levels should have generated available cash for distribution to cover the tax liability associated with the phantom income." (ACS Affidavit, ¶20). "As this matter impacted all the owners, the group met numerous times during 2011 to discuss inventory reduction planning." (ACS Affidavit, ¶20). Unfortunately, "Wilson failed to execute the agreed-upon plan"; this meant that the Company did not have sufficient cash for a tax distribution. That fact caused all members, not just Wilson, to receive a Schedule K-1 with significant phantom taxable income. (ACS Affidavit, ¶20). Gandis had to borrow, in part, from a home equity line of credit to pay his tax bill, (Gandis Affidavit, ¶24).

D. Wilson's Taxes & Draws

During 2011, and almost two and one-half years after steadily injecting capital into the company for start-up costs and Wilson's monthly draws, Gandis exercised his right to end steady capital infusions into CCC. (Gandis Affidavit, ¶ 19). At this time, Wilson was not prepared to live off of distributions alone. Accordingly, he asked for the members to allow him to begin receiving company loans that could be off-set against future distributions, and Gandis agreed. They agreed. (Gandis Affidavit, ¶ 19). Nevertheless, the Company was already facing cash flow

problems. (Gandis Affidavit, ¶ 41). It was after agreeing to the loans, that Gandis began to consider whether Wilson would just prefer to be a sales officer with a commission structure.

In the spring of 2011, knowing what his own tax bill looked like, Gandis became concerned that Wilson may also be in a bind. (Gandis Affidavit, ¶ 25-27). Knowing that ACS had significant experience when it came to reducing tax liabilities, he looked to her for help. (Gandis Affidavit, ¶ 28). All three members decided that they would meet to discuss the company's finances and their economic expectations. This was set to occur in late March to early April 2011. (Gandis Affidavit, ¶ 29). As it turned out, Gandis could not make the meeting, but Wilson and ACS went ahead without him. (Gandis Affidavit, ¶ 29).

In leading up to the members' meeting, Gandis and ACS discussed Wilson's failed economic expectations, and whether he wouldn't be happier and financially safer as an employee. In one e-mail, ACS notes the following:

> He keeps wishing that cash would fall from the sky . . . but we have to BUILD the business to support additional cash. . . . Upon reflection, your absence may give him the opportunity to share with me his concerns about cash flow results that he hasn't yet been able to express to you. OR rather, that he merely chooses to say to you, why are we not taking the risk of borrowing to fund our lifestyles? I plan to explain to him that the role of an owner (even in an LLC) involves financing his business, mostly through deferred compensation. That an owner's eye is on the upside.
>
> . . . .
>
> I would then propose to him that his actions (e.g. loans from company) seems to indicate that he would really rather be in a structure where he receives good monthly salary and he earns a regular bonus. This alternative structure gives him (a) more cash now and (b) preserves some of his participation [in] the financial results. It also means that he would convert to a situation where his tax obligation matches his cash flow situation.
>
> . . . .
>
> If we are going to talk about what it means to be an owner, I think it is important that he not feel TRAPPED by his LLC and realize that . . . at this point in the game ... we can talk restructure of his participation in a way that should be a win-win.

(ACS Affidavit, ¶32, for more context and discussion see also ¶¶ 33-34, and Gandis Affidavit ¶¶ 30-32).

During this timeframe, the Company was working to receive a $500,000 line of credit from Bank of America, and other local banks. All of the members were committed to this goal. (ACS Affidavit, ¶33). The new line of credit was particularly important to Wilson, as he began lobbying ACS to use this line of credit to pay-off his 2010 tax bill. (ACS Affidavit, ¶32). The line of credit never materialized.

By the fall of 2011, and with Wilson's tax bill not going anywhere, Gandis again reached out to ACS for help. (Gandis Affidavit, ¶ 32-33). Gandis did so after having a conversation with Wilson about Wilson's inability to pay his tax bill. (ACS Affidavit, ¶40). ACS offered up the ***idea*** (simplified here) that if Wilson were to convert from an equity holder to an employee, and allocate various losses to him, the latter loss allocations could flow back into past tax years and eliminate the tax liability. (ACS Affidavit, ¶40). Gandis thought this was a good idea, and that Wilson would appreciate his efforts. (Gandis Affidavit, ¶ 33). In fact, after receiving the broad brushstrokes for the idea, he asked ACS whether it was in a form that he could "forward directly to Dave." (Gandis Affidavit, ¶ 34). She responded in the affirmative and Gandis forwarded the e-mail in mid-October 2011. (Gandis Affidavit, ¶ 34).

After Gandis forwarded the tax reduction proposal, the relationship between Wilson and Gandis turned sour quickly. Apparently, Wilson did not appreciate Gandis' unsolicited efforts to help. (Gandis Affidavit, ¶ 35-37; ACS Affidavit, ¶41)). It also didn't help that Gandis likely forwarded an e-mail that did not have the complete explanation of the deal. (ACS Affidavit, ¶41). It is important to note that in all of this correspondence and planning, the idea was never to

get Wilson out of the company, but to get him in a position that did not cause him financial stress. (ACS Affidavit, ¶40 (noting that if Wilson decided to transition to a commissioned sales manager, "[t]his helps to build the company and keeps Dave's participation at a broader level (although he now shares in gross income instead of net income"; ACS Affidavit, ¶33 ("you can put him into a deal that compensates him for his time and energy – maybe more like a regional sales manager is paid – so he gets paid on his sales and also on the sales of the team"; ACS Affidavit, ¶34 (noting that "it is clear that you need to decide on a deal that is fair for you and for Dave").

A few days after Gandis sent the tax reduction proposal to Wilson, on October 17, 2011, Wilson responded in a negative fashion, asserting his belief that it was flawed and unlikely to help. (Gandis Affidavit, ¶ 35). In addition to that response, Wilson made the following three suggestions/threats. First, he suggested that the Company start making regular accruals and distributions to cover tax liabilities. (Gandis Affidavit, ¶ 37). This was a curious request coming from Wilson, who alone, was responsible for the excess inventories that precluded the Company from having tax distributions. (Gandis Affidavit, ¶ 37; *accord* WEB Ex. 37, e-mail dated October 31, 2011 ("As you know, we started saving money this spring so we could make a tax distribution this fall, but our money was spent on film.")). Second, "he suggested that he would just resign from the company, retain his equity interest, and go work for a film company outside of CCC." (Gandis Affidavit, ¶ 38). With regard to his second response, Wilson stated that "he did not have any duty to the Company, but would maintain all of the 'rights and privileges of a member.'" (Gandis Affidavit, ¶ 38). Finally, Wilson suggested that "he would just resign and dissociate; the Company would then have to purchase his interest, and if the other members were

"unable to or unwilling to buy" him out, then he would force a "liquidation." (Gandis Affidavit, ¶ 39).

While not particularly relevant, it is important to note that once these negotiations began. Wilson was using his mistaken belief that he had the ability to unilaterally force a dissolution/liquidation as a leverage point. (Gandis Affidavit ¶ 50; ACS Affidavit ¶45). Wilson was insisting that the Company pay his tax bill. (Gandis Affidavit ¶ 49). And was telling Gandis that if he did not bend, he would shut down the company. He continuously made these threats through the 2011 Christmas and New Year Holidays. (Gandis Affidavit ¶ 50). At that point in time, the Company had 23 employees. (Gandis Affidavit ¶ 50). Wilson said he would put them all out of work. (Gandis Affidavit ¶ 50; ACS Affidavit ¶45). He's up to his old antics.

E. Buy-Sell

After Wilson fired off his threatening e-mail, Gandis circled back to come up with a better solution. At this time, Wilson was continuing to ask for loans from the company—they had increased to $12,000.00 per month. The Company had no obligation to provide him with these loans, but because Wilson was in integral member of the team Gandis reluctantly signed off on the requests. Nevertheless, and as Gandis explained in a letter to Wilson, "[r]ecently we have had to pay several of our vendors late in order to set aside funds to loan to you. It is not in the best interest of our company to pay our vendors late, particularly when we have the funds available to pay them. The current payment of $12,000 a month is too great a burden to pay monthly while assuring our legal obligations be paid in the order as they are outlined above." (Gandis Affidavit ¶ 48; see also ACS Affidavit ¶49-51).

Gandis continued his letter. He noted that, "it is not my desire to create an undue burden for you and your family either. I have three options for you to consider." (Gandis Affidavit ¶

48). Option One: Remain as a member. This option meant simply that Wilson would maintain his current equity position, but he was put on notice that he would no longer receive preferential treatment. It is important to underscore that there was no agreement for Wilson to receive monthly draws. (Gandis Affidavit ¶ 15-17). Option Two: Buy-out and become a salaried officer, with a bonus plan. (Gandis Affidavit ¶ 45). Option Three: ACS's membership modification, to eliminate the tax bill, and become a salaried officer with a bonus plan. Not one of these options ended with Wilson out of the Company. More importantly, Gandis made known to Wilson that he was fine with anyone of them. (Gandis Affidavit ¶ 46). Wilson refused to engage. According to Gandis, "[h]e kept insisting that the company just fund his taxes." (Gandis Affidavit ¶ 49).

Once the discussion of a buy-out began, the whole dynamic of the members' relationship changed. Wilson began to assert that it was his preference to try and buy-out Gandis and ACS. (Gandis Affidavit ¶ 51). Both of them were enthusiastic about that prospect. (Gandis Affidavit ¶ 51; ACS Affidavit ¶57). During the buy-out negotiations, Wilson believed that they were trying to leverage him down to below a fair value. He believed they were altering the numbers to negatively impact him. Accordingly, Wilson stated that he would buy Gandis and ACS out using ***their valuation numbers*** for his equity. (This would not be the first time Wilson deployed this tactic. *See infra* Part II.D ***&Exhibit T.***) Gandis and ACS called his bluff and accepted. (WEB Ex. 52 ("My first preference is that he buys us out at the price we offered him – there is no deadline on that ability"; *see also* ACS Affidavit ¶57; Gandis Affidavit ¶52). But, Wilson was only bluffing; he did not have a serious purchaser. The buy-sell discussion lasted through the end of December 2011 and into the beginning of January 2012.

When Wilson told Gandis and ACS that he was seeking a purchaser for CCC; they understood that this meant he was discussing a buy-out with his family, specifically his brother-

in-law's family. They later learned that Wilson was also in discussions with other people and companies. At that point, on January 6, 2012, ACS sent an e-mail to Wilson with the general concern of whether he was protecting the Company's confidential information during these discussions. (Attached as ***Exhibit D*** is a copy of that e-mail). Wilson responded, stating that he "certainly would not divulge information that could be potentially harmful to the company in the hands of a competitor. . . . [And that his] desire is to continue discussions with the interested parties about buying out the company as a whole." (*Id.*)

One of the companies Wilson was referring to was a company out of Tennessee called FilmTech. While it is unclear when Wilson initiated his discussions with FilmTech, it appears crystal clear that he was not trying to sell CCC. On January 13, 2012, Wilson received an e-mail from FilmTech discussing "a possible sales agency agreement." (Attached as ***Exhibit E*** is a copy of that e-mail). On January 16, 2012, Wilson sent an e-mail to FilmTech discussing their "agreement." (Attached as ***Exhibit F*** is a copy of that e-mail). The relevant portions are noted below:

> Hi Mark,
>
> I look forward to the opportunity to join your organization. . . . Here are the points of discussion for our agreement.
>
> . . . .
>
> 4. Full time employee with draw or salary of $8k per for month for a period of time until my commission reaches a level that supports my needs. ***My goal will be to move as much of the business I manage at CCC to Filmtech as quickly as possible. In addition, I will work to bring prospective business that CCC has been working on our qualifying over the past 3 to 6 months.***

Wilson had made up his mind. Consistent with the parties' agreement, the other members were no longer going to treat him different than the rest of them. Consistent with the agreement, the Company would employ standard business practices—e.g., paying vendors and employees

before owners. Wilson had no interest in it. The Company did not mean anything to him; he was going to leave, and he was going to take its customers and prospective business with him.

F. Wilson Announces his Intention to Leave the Company

When Wilson and Gandis did not reach a deal, Gandis assumed that Wilson was going to continue as member. Then, on January 17, 2012, either ACS or Gandis received a phone call from John Zamer, Esq. ("Zamer"). (Gandis Affidavit ¶ 56). Zamer is a partner in the Atlanta office of the Jones Day law firm. (Gandis Affidavit ¶ 56). Zamer provides legal work for CCC because of a long standing relationship with Gandis and Gandis' father. (Gandis Affidavit ¶ 56). The Company does not have Jones Day as their standby counsel. (Gandis Affidavit ¶ 56). During the January 17, 2012 phone call, Zamer told Gandis or ACS that he had just spoken with Wilson's lawyer, and that Wilson was going to leave CCC. (Zamer Affidavit, ¶6 incorporated herein by reference and attached as ***Exhibit G***). According to Zamer, Wilson's lawyer stated that Wilson had "'reached the point of no return'" was "throwing in the towel" and preparing to leave in a "peaceful" manner. He was "walking away" from the Company. (Zamer Affidavit, ¶6). We now know that Wilson believed he was about to go start a job with FilmTech.

When Gandis realized that Wilson was going to leave the Company, he was "shocked," (Gandis Affidavit ¶ 58). The reason for the shock was the that the whole morning before learning about the Zamer phone call, Gandis had been discussing with Wilson one of the "most significant new prospective deal[s] for 2012" and how he thought they could "bring it to fruition." (Gandis Affidavit ¶ 58). In his affidavit, Gandis recounted the betrayal of Wilson's sitting through the meeting "knowing full well that his attorney was going to be making th[at] call, and [he] let me divulge this opportunity even though he planned to become our competitor." (Gandis Affidavit ¶ 58).

Soon thereafter, Gandis realized that he had a 23 employee company to protect. One of Gandis' initial reactions was that he needed to protect his Company's confidential information. (Gandis Affidavit ¶ 59-61). Accordingly, when on January 18, 2012, he showed up at the Company's Greenville office to accept Wilson's resignation, he brought along a police officer to make sure he would be able to retrieve the Company's property. (Gandis Affidavit ¶ 60). The plan did not work, however, because Wilson took the Company's computers, blackberry, and files with him. (Gandis Affidavit ¶ 61).

G. Wilson Destroys Potential Evidence

Wilson later returned the Company's computers and blackberry. The undersigned retained the services of a company known as Computer Forensics Lab (the "Lab") in Columbia to review the computers and blackberry. (Kenny McLean Affidavit ¶ 4, incorporated herein and attached as ***Exhibit H***). The Lab analyzed each device and reported the following: (1) the blackberry "had a default image with no user data present; the cellular device had been wiped"; the mini laptop had "3,043 files [and] show[ed] an accessed date after January 18, 2012. These files appear to have been deleted to the recycle bin between January 18, 2012 through January 31, 2012"; the HP laptop had two separate eraser programs run on it: (1) "SAFEITMAILSHREDDER.EXE"; and a program called "Eraser" (McLean Affidavit, ¶¶5-7). The Lab also found evidence that an "external media (such as a USB device or 'thumb drive') had been connected to the laptop." (McLean Affidavit, ¶7.1.). Importantly, Wilson had counsel during the buy-sell negotiations that occurred during December and into January. It was clear that the possibility of litigation was on the horizon. Nevertheless, Wilson knowingly destroyed evidence. At the appropriate time, CCC will move for sanctions.

Wilson did not join FilmTech. Instead, he joined ranks with his brother-in-law, and began selling film for Neologic Distribution. FilmTech would not be the recipient of CCC's trade secret and confidential information. Instead, it would be Neologic that received that information.

II. Equitable Defense: *Unclean Hands*

"A shareholders derivative action, as well as an action for stockholder oppression, is one in equity." *Ballard v. Roberson*, 399 S.C. 588, 593, 733 S.E.2d 107, 109 (2012). Summary judgment is particularly inappropriate in this case because the Company has a potent equitable defense that should serve to preclude all of the equitable claims. The principle defense is that of unclean hands. "He who comes into equity must come with clean hands. It is far more than a mere banality. It is a self-imposed ordinance that closes the door of the court of equity to one tainted with inequitableness or bad faith relative to the matter in which he seeks relief." *Straight v. Goss*, 383 S.C. 180, 207, 678 S.E.2d 443, 457-48 (Ct. App. 2009). "The doctrine of unclean hands precludes a plaintiff from recovering in equity if he acted unfairly in a matter that is the subject of the litigation to the prejudice of the defendant." *Straight*, 383 S.C. at 206, 678 S.E.2d at 457.

Wilson seeks the Court's equitable authority to dissolve the Company and place it into receivership. His actions in his affairs of the Company and in this litigation should bar him from any relief.

A. Usurping Corporate Opportunities. Illegal Side Dealing

Starting in July 2008, Wilson committed to "focus all [his] efforts in the film business on CCC" in return for a monthly draw that would come from Gandis' personal finances. He promised to "forego[] opportunities to earn money . . . outside of CCC." (Wilson Exhibit Book,

Ex. 5); (Gandis Affidavit, ¶¶ 15-16). As a result of that promise, Gandis provided Wilson with $8,000 per month of his (Gandis') own money.

$1.7 Million. Discovery has ***so far shown*** that Wilson transacted over $1.7 Million in illegal side deals while being paid with Gandis' personal money. (Gandis Affidavit, ¶63). Gandis did not learn of this egregious conduct until after this litigation began. (Gandis Affidavit, ¶63).

B. Erasing Computers and Blackberry

Wilson has purposefully destroyed evidence in this case. The Company incorporates by reference the discussion in Part I.G, *supra*, and the McLean Affidavit.

C. Probable Violation of the Court's Protective Order

During discovery in this case, Wilson demanded to receive complete copies of the Company's Quickbooks. Defendants resisted on the grounds that the documents contained information about the customers and suppliers of CCC. On November 14, 2012, this Court entered a protective order that provided for the production of this information. (Protective Order, incorporated herein and attached as ***Exhibit I***). In order to protect the Company's confidential information, the Order provided that, "Wilson shall not solicit any customer or contact any supplier of CCC who was not known to him on January 17, 2012, which shall be presumed to be any customer and/or supplier who did not transact business with CCC prior to January 17, 2012." (***Exhibit I***, p. 2).

Wilson currently works for Neologic. In recent weeks, Neologic has produced a list of its suppliers to CCC pursuant to discovery requests. One of the suppliers found in the discovery is a company called Futong, LLC. (Neologic Suppliers, incorporated herein by reference and attached as ***Exhibit J***). Futong, LLC was a CCC supplier. Futong, LLC did not become a

supplier for CCC until February 10, 2012. (CCC Quickbook Printout, incorporated herein by reference and attached as ***Exhibit K***). Another one of Neloigic's suppliers is Linan Hongcheng. (CCC Quickbook Printout, incorporated herein by reference and attached as ***Exhibit L***). Linan Hongcheg was also a supplier of CCC, and it did not become a supplier until April 8, 2013. Based upon the documents we have reviewed, it appears that Wilson may have violated the Protective Order.

Neologic has also produced its customer list. (Neologic Customers, incorporated herein by reference and attached as ***Exhibit M***). Two of its customers are former customers of CCC: Engineered Laminates and Coatings, LLC and Florida Packaging and Graphics Inc. (CCC Customer List, incorporated herein and attached as ***Exhibits N & O***). Based upon the documents we have reviewed, it appears that Wilson may have violated the Protective Order.

D. Probable Fabricated Offer to Buy Gandis & ACS Equity

When this litigation began, Wilson's pleadings requested that the Court order dissolution, and shortly thereafter, Defendants' amended pleading sought the same relief. Consistent with those pleadings, Gandis and ACS (the majority owners of CCC) assumed that the Company would be dissolved and acted accordingly. In the December 6, 2012 hearing Wilson instructed his Counsel to argue against dissolution by telling him that a legitimate offer had been made to purchase the equity of Gandis and ACS. His counsel told this Court, "we've made an offer to purchase this business for almost half a million dollars, their interest. That hasn't been – they haven't accepted or rejected that yet. But we think this business has value." (December 6, 2012 Transcript, incorporated herein by reference and attached as ***Exhibit P***). This Court did not order dissolution, and since that time all Defendants have put significant time and energy into making CCC a success.

The offer came in the form of an e-mail that Wilson instructed his counsel to send to counsel for the Defendants. (E-mail Offer, incorporated herein by reference and attached as ***Exhibit Q***). Upon receipt of that offer, Gandis and ACS provided everything requested and stated they would accept it. (Gandis Affidavit, ¶101; ACS Affidavit, ¶¶73-74).

Sworn testimony has been taken that places the legitimacy of that offer, and Wilson's instruction to his counsel to represent the same to this Court, in serious question. Wilson testified in an abbreviated deposition that the funding source for that offer was his brother-in-law, Steve Norvell. (Wilson Deposition Transcript, incorporated herein by reference and attached as ***Exhibit R***). Steve Norvell testified in his deposition as follows:

Q: After thinking about it, you never offered to buy CCC or even considered buying CCC?

A: I would never consider buying CCC.

Q: And siting here today, you would certainly remember it if you did, especially if it was 2011 or thereafter?

A: Well, actually, now come to think of it, Dave may have approached me thinking that, hey, we're not getting along, maybe do like a Chinese put type of deal, would you be interested to help me finance to buy John [Gandis] out. That might have happened.

Q: But it never got beyond that?

A: No.

Q: You never made an offer or got into the number or even got into a range of what you might pay for it if you did?

A: Not that I recall.

Q: This was more or less a quick conversation between you and Dave?

A: That he initiated, and I really had no interest in it.

(Norvell Deposition Transcript, incorporated herein ad attached as ***Exhibit S***). Finally, an e-mail recently produced in discovery tangentially pertains to this issue. In the e-mail Wilson is telling his boss, Steve Norvell, about the offer and that "we have drafted our own dissolution order [related to the December 6, 2012, hearing] which will make it nearly impossible for [Gandis] and [ACS] to conduct business once the dissolution order is in place." (December 3, 2012 E-mail, incorporated herein and attached as ***Exhibit T***). Since Norvell is providing the financial support for this litigation (he is paying Wilson's attorney fees and expert costs), he must have appreciated hearing that some of his money was being used to try and handicap the competition.

E. Probable Interference with CCC's Business

After Wilson left CCC, Gandis began to hear from customer and vendors that the Company was going to be shutdown. (Gandis Affidavit,¶¶ 93-94). No one at CCC was telling anyone that. (Gandis Affidavit,¶ 94). Once this information hit the marketplace, some of CCC's suppliers that previously allowed the company to operate on credit, required CCC to begin making advance payments on its purchases. (Gandis Affidavit,¶ 95). In addition, CCC believes that it may have lost future business based upon the actions of Wilson in the marketplace. (Gandis Affidavit,¶ 95). As of the date of this filing, the Company has pending discovery requests that are designed to prove this issue.

III. This Was Not a Squeeze Out

Wilson has asked this Court to force a judicial dissolution of CCC. He claims that this case presents a classic squeeze out. (Wilson's Memorandum, pp.24-25). The operative statute is S.C. Code Ann. § 33-44-801. One of the claims is that subsection 33-44-801(4)(e) applies to this case. That subsection states that:

> A limited liability company is dissolved, and its business must be wound up, upon the occurrence of any of the following events: (4) on application by a

> member . . . upon entry of a judicial decree that: (e) the managers or members in control of the company have acted, are acting, or will act in a manner that is unlawful, oppressive, fraudulent, or unfairly prejudicial to the petitioner.

Although South Carolina does not have any reported decisions addressing this LLC statute, the language of the "squeeze out" subsection mirrors that of the related incorporation statute: S.C. Code Ann. § 33-14-300(2)(ii). Accordingly, the undersigned believe the cases addressing the incorporation statute serve as very persuasive and proper authority.

The leading case in South Carolina is Greenville's own *Kiriakides v. Atlas Food Systems & Service, Inc.*, 343 S.C. 587, 541 S.E.2d 257 (2001). *Kiriakides* is particularly instructive to this case because our Supreme Court unflinchingly rejected the idea (adopted in other states) that a court can order "a corporate dissolution **solely** upon the basis that a party's 'reasonable expectations' have been frustrated by majority shareholders." *Id.* at 599, 541 S.E.2d at 264 (emphasis in the original). Rather, *Kiriakides* teaches that "a case-by-case analysis, supplemented by various factors which may be indicative of oppressive behavior, [is] the proper inquiry." *Id.* at 266, 541 S.E.2d at 603. To that end, some of the indicative factors are the "termination of a minority shareholder's employment, the refusal to declare dividends, the removal of a minority shareholder from a position of management, and the siphoning off of corporate earnings through high compensation to the majority shareholder." *Id.* at 267, 541 S.E.2d at 604-05.

Kiriakides also teaches that if a Court determines that a squeeze out has occurred—that oppression exists—then the proper remedy is a valuation and buyout, *not a forced dissolution. Id.* at 607, 541 S.E.2d at 268 (noting buyout is the proper remedy); *Ballard v. Roberson*, 399 S.C. 588, 599, 733 S.E.2d 107, 113 (2012) (same). Although the LLC statute does not have a specific buyout provision, the Reporters Comments note that the Court has such equitable power.

S.C. Code Ann. § 33-44-801 (Reporter Comments: "Even where the burden of proof is met, the court has the discretion to order relief other than the dissolution of the company. Examples include an accounting, a declaratory judgment, a distribution, *the purchase of the distributional interest of the applicant* or another member.") (emphasis added). Decisions from across the Country concur. "[C]ourts have equitable powers to fashion appropriate remedies where the majority shareholders have engaged in oppressive conduct," which "may include a 'buyout' in appropriate cases." *Kohannim v. Katoli*, 2013 WL 3943078, at *13 (Tex.App.-El Paso July 24, 2013) (quoting *Davis v. Sheerin*, 754 S.W.2d 375, 380 (Tex.App.-Houston [1st Dist.] 1988, writ denied)); *Kaplan v. First Hartford Corp*, 484 F. Supp. 2d 131, 153 (D. Me. 2009) (recognizing that a forced buy-out of shares was an available statutory remedy); *Matter of Superior Vending, LLC* (Tal–Plotkin), 71 A.D.3d 1153, 1154, 898 N.Y.S.2d 191 (2010) (recognizing that although the limited liability company law does not expressly authorize a buyout in a dissolution proceeding it was the most equitable method); *Curran v. Curran*, 2014 WL 1814266, at *1 (Conn. Superior Court April 7, 2014) (holding that the statutes allowed for the corporate defendant or other shareholders to purchase all the shares owned by the party seeking dissolution);

A. Case-by-Case Analysis

As it relates to the legal claim that this case presents a section 33-44-801(4)(e) squeeze out, the required case-by-case analysis reveals that this is not that case. As stated above, Wilson's claim for oppression hinges upon three disputed factual premises. Wilson claims that he was financially squeezed out by the majority based upon the following actions: (1) they decided to stop paying him a monthly draw (that they had no obligation to provide to Wilson and that they were not getting themselves); (2) they decided to quit injecting capital into the

company; and (3) certain of their actions were in violation of the claimed operating agreement. The Company contends that each of the actions they took was based upon an agreement of the parties'. Part I.B is incorporated herein by reference for the basis of showing the presence of disputed factual issues.

The next question is whether the indicative factors of a squeeze out are present.

B. Factors Indicative of Oppression

a. Termination of a Minority Shareholder's Employment

Wilson alleges that he was terminated from his employment. (Wilson Memorandum, p. 19). The Company contends, however, that through counsel, Wilson stated his intention to leave the Company on January 17, 2012. The very next day, Gandis went to the Greenville office to bring that decision to a head more swiftly, and to make sure Wilson did not take with him any of the company's confidential assets and property. In Wilson's Memorandum, at page 19, he argues that Gandis' acceptance of Wilson's decision to leave was a fictional "cover story." That is not true. Wilson's lawyer told Zamer he was preparing to leave. (Zamer Affidavit, ¶6). Moreover, the day before Zamer had that conversation with Wilson's lawyer, Wilson was telling FilmTech how much he was "look[ing] forward to the opportunity to join [the] organization . . . [and] move as much of the business I manage at CCC to Filmtech . . . , [along with the] prospective business that CCC has been working on our qualifying over the past 3 to 6 months." Wilson was planning to leave the Company of his own accord. He was leaving because Gandis decided to exercise his absolute and agreed to right to begin treating Wilson like an equal member. This is a disputed factual issue that does not favor a finding of oppression.

b. Refusal to Declare Dividends

This is not a relevant factor as the company never issued dividends. To the extent this factor could be compared to the declaration of a distribution, it favors the Company. At the time Wilson left the Company, he was over $100,000 in debt based upon receiving advances upon future distributions. (ACS Affidavit, ¶ 48). It is likely that one of the reasons he decided to leave was because that preferential treatment was going to stop. *E.g.*, Wilson Exhibit Book Ex. 41 ("First – all distributions will be pro-rata on the same day. Second, no longer will we delay payments to a vendor so that a distribution can be made to any owner on the first of the month. Finally – so as to keep the owners evenly aligned – we will not be making advances to owners but we will take some time to restore the balance."). This issue does not favor a finding of oppression.

c. Removal from a Position of Management

In this case, this factor involves the same analysis as factor *a*, *supra*. This is a disputed factual issue that does not favor oppression.

d. Siphoning off of Earnings to the Majority Shareholder

This factor is not met. As noted above, Wilson was the one that received the cash, not the other members. Moreover the other members have not been issuing distributions in Wilson's absence. The last time that Gandis received a distribution was April 19, 2011; the last time that ACS received a distribution was March 15, 2011. (Gandis Affidavit ¶102). Wilson argues at page 20 of his memorandum, that charging rent at CCC was wrongful. It is not. The rent has always been below market rate in an effort to help the company. Wilson has not produced a sliver of evidence to suggest that the rental rates are anything but fair. The following is a brief discussion, from Gandis' affidavit, of the rent at CCC:

89. Because CCC was a start-up company and I was funding these expenditures, I did not immediately pay myself for the building space and the first rental check was not paid until June 2008. Like the initial start-up capital, while I had to agree to forego immediate payment at market rates, I did not agree to forego rent forever.

90. I have yet to be paid the fair market value for the building space that CCC uses.

91. The 2010 below market rate of $2,500.00 per month is equivalent to a price per square foot of $0.0925.

92. The 2012 rate rent of $6,000.00 per month is about $0.222. per square foot and still does not appropriately reflect the market value for the manufacturing area.

C. Other Issues Raised in Wilson's Memorandum

Wilson has raised a number of extraneous issues in his memorandum. His arguments in support of these arguments almost universally are based upon anti-contextual quotes or speculation. These will be addressed in summary fashion below and with detailed citations to the affidavits of Gandis and ACS.

a. Counterclaims

The Company has filed a number of counterclaims against Wilson, Norvell, Nelologic, and Fresh Water. Wilson only attempts to challenge one of them: the claim against Wilson for breach of fiduciary duty associated with the over $1.7 million in illegal side-deals that started in July 2008. His efforts to weaken this claim are intentionally misleading and easily rebuffed.

Wilson makes the argument that the Company knew about the post July 2008 activities. To support that statement, Wilson asserts that "CCC was performing slitting services for Eastern Films through 2008 and 2009." To support that assertion, he cites to WEB Exhibits 7 and 8. These are two invoices. Exhibit 7 is an e-mail that references an invoice sent out on July 9, 2008; accordingly it would have resulted from activity that occurred before July 9, 2008. Exhibit

8 is an invoice from June 30, 2008. Invoices from EFS to CCC from activity before July 2008 fits exactly within the timeline of the Company. Start-up pay for Wilson began in July 2008. Neither of these invoices is from 2009. Wilson's statement to the contrary is not true.

Wilson cites a January 19, 2010 e-mail from ACS for the proposition that she "acknowledged that Dave Wilson continued to transact business on behalf of Eastern Films in 2009 and indicated that part of the 2010 plan was 'completing Dave's transition towards full time CCC." ACS responds to this e-mail in her affidavit. First it is important to note that the e-mail does not mention EFS, at all. She writes that, "[m]y reference to transitioning Dave to full-time CCC was a reference to transitioning Dave from doing representative work for Dew-Tex. The latter involved work that all knew about and serves as no part of the Company's claim against Wilson." (ACS Affidavit, ¶ 21).

Wilson cites to a June 29, 2010 e-mail from ACS for the proposition that the Company knew about these illegal side deals. ACS responds to this in her affidavit. She writes that the two job references are to CCC and the DewTex representative work. Further, "[m]y reference to EFS wind down concerns a ***single*** transaction regarding left over film held by EFS that was sold to CCC in early 2009." (ACS Affidavit, ¶ 22) (emphasis added).

Wilson's inaccurate and incomplete citation of e-mails and document evidence does not support his claim that CCC knew about his faithless activities. In fact, they did not learn of this activity until after Wilson initiated this litigation. (Gandis Affidavit ¶ 63).

b. *DecoTex.*

DecoTex is a company that Wilson and his father own. Wilson makes the argument that DecoTex was illegally subsidized by CCC. Gandis responds to these baseless claims in his affidavit. They are incorporated herein by reference: (Gandis Affidavit ¶¶ 75-88).

ACS also responds to these baseless claims in her affidavit. They are incorporated herein by reference: (ACS Affidavit ¶¶ 23-25).

c. *E-mail Storage: False Claims of Interception*

Wilson makes the stunning accusation that Gandis and ACS violated federal law by intercepting the e-mails of Wilson. He supports this accusation with the bald and unsupported statement that "CCC had no written policy [regarding the privacy of corporate e-mail] and did not advise Wilson that his e-mails would be intercepted and monitored." (Wilson Memorandum, pp.10-11). That assertion is incorrect. CCC did have an employee handbook that specifically stated there is no right to privacy for corporate e-mails. (Gandis Affidavit ¶ 72). The remaining paragraphs of Ganidis' Affidavit that address this issue are incorporated herein by reference: (Gandis Affidavit ¶ 69-74).

Wilson also directs his unsubstantiated fire at certain statements of ACS regarding the wisdom of using a back-up/storage e-mail system. He also makes the bald assertion, again with no citation, that "Defendants also attempted to intercept text messages and data from Wilson's blackberry in late 2011." (Wilson Memorandum, p.11 n.4). Finally, Wilson also alleges that ACS violated federal law by changing the mailing address for a supposedly defunct EFS account. ACS also responds to these baseless claims in her affidavit. They are incorporated herein by reference: (ACS Affidavit ¶¶ 27-30).

In Wilson's memorandum, he makes a separate point to portray a false narrative regarding the alleged review of his e-mails during the parties' failed negotiation over Wilson's equity. He writes that while "Wilson attempted to negotiate a fair price for the sale of his interest, Defendants continued to intercept his e-mails." (Wilson Memorandum, p. 14). To support that assertion, he cites Exhibits 33-35. None of these citations include contemporaneous

review of the e-mails. These are e-mails that are being forwarded from storage, after the fact after Wilson left. Exhibit 35 is particularly illuminating with respect to the unclean hands defense. Gandis writes:

> I have been going through a lot of old "Dave" e-mails on the server. . . . What I am starting to ascertain is that Eastern Films is in his wife's name. They never really shut down their office until sometime in 2011 – they had an office not far from my house at his brother-in-law's building-[i.e., Defendant Steve Norvell].

d. ZoiFilms

Wilson attempt to make the argument that ZoiFilms was corporate deceit of the highest order. This is not a credible position. Both Gandis and ACS have provided responses in their affidavits. But one salient point is relevant. When Wilson filed suit, he asked for dissolution. When Gandis and ACS responded to the first amended complaint, they asked for dissolution. For the entire year of 2012, Gandis and ACS assumed CCC was going to be dissolved. ZoiFilms is properly viewed as company that was designed to be created so that there wouldn't be any mix-up over who owned what at the dissolution and wind-up of CCC. Moreover, all revenues generated by ZoiFilms flowed back through CCC and were used for the benefit of the Company.

ACS responds to ZoiFilms claims in her affidavit. They are incorporated herein by reference: (ACS Affidavit ¶¶ 63-72).

Gandis responds to the ZoiFilms claims in his affidavit. They are incorporated herein by reference: (Gandis Affidavit ¶¶ 93-98).

CONCLUSION

Each factual basis upon which Wilson argues oppression is disputed, and those disputed fact are shown by affidavit testimony. The equitable defense of unclean hands is present. That defense should serve to close the Court's doors to Wilson based upon his conduct, and on that issue discovery is ongoing. Wilson's motion should be summarily denied.

Respectfully submitted,

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Counsel for Carolina Custom Converting LLC

June 19, 2014
Greenville, South Carolina

EXHIBIT A

STATE OF SOUTH CAROLINA COUNTY OF GREENVILLE	IN THE COURT OF COMMON PLEAS
David Wilson, individually and derivatively on behalf of Carolina Custom Converting, LLC, Plaintiff, vs. John Gandis, Andrea Comeau-Shirley, ZOi Films, LLC, and Carolina Custom Converting, LLC, Defendants, Carolina Custom Converting, LLC, Counterclaim Plaintiff, vs. Dave Wilson, Steven Norvell, Neologic Distribution, Inc., and Fresh Water Systems Inc., Counterclaim Defendants.	Civil Action No. 2012-CP-23-02887 **AFFIDAVIT OF JOHN GANDIS**

PERSONALLY APPEARED before me John Gandis who, first being duly sworn, deposes and state as follows:

1. I am a resident of Greenville County, South Carolina.
2. I am over the age of eighteen, and have personal knowledge of the facts stated herein.
3. Carolina Custom Converting, LLC ("CCC" or the "Company") has eighteen (18) W-2 employees, and three (3) commissioned sales officers.
4. The Company opposes dissolution; the Company opposes receivership.
5. The Company is generating cash and is a positive going concern.

Formation of Carolina Custom Converting, LLC

6. Plaintiff David Wilson (hereinafter referred to sometimes as "Dave" or "Wilson") and I initially came together to provide "perforation" services (punch holes) in films. WIlson estimated that we would make millions on this project together. As such, I bought/owned the equipment through a company I own called M-Tech, Inc., and we agreed to be 51/49% partners in a yet-to-formed venture we were going to call Stewarts Tolling. Wilson's job was to sell the service. Stewarts Tolling business plan failed.

7. During this period, Dave Wilson's company Eastern Film Solutions LLC ("EFS) purchased slitting services from M-Tech, Inc. This business with EFS was sporadic and not profitable, so I notified Dave of my desire to exit the slitting business.

8. To induce me to continue our business activities, Dave told me that I was only seeing a small slice of his business. He told me that he had a large book of loyal customers at EFS and that he would roll these customers into our joint business if I would obtain two more slitters and fund the start up production activities. Dave told me that he had been the inventory/warehouse manager in his prior position and that he could manage inventories and develop/implement a sales plan for a company that would be profitable from the jump. He said this immediate profitability had to do with the fact that he knew the buyers and could obtain film (at discounts) that could be sold at "A" grade prices.

9. CCC was created on November 2, 2007 with the understanding that EFS would finish its existing sales commitments, as this would allow Wilson to satisfy EFS' vendor obligations and he could retain the profits on those sales orders. I was the president and in charge of operations and management; Wilson was the vice president and in charge of sales and purchasing. We opened an office in Greenville in January 2008.

10. Wilson has introduced, as Exhibit 2 to his Motion for Partial Summary Judgment, a draft "business opportunities meeting" document that he alleges represents the basis of an operating agreement for CCC; Exhibit 2 is no such thing. When I was confronted with this document during my deposition, my first response was that "[t]his looks like Andrea's – this looks like Namaste's questionnaire." (Gandis Deposition, p.29, ln. 22-24). As I further testified in my deposition, Exhibit 2 "was not made for CCC." (Id. at p.36, ln. 4-5). "This questionnaire would have been made for DecoTex and I think I might have altered the top before I went to go see Potts to get him moving." (Id. at ln. 7-9).

11. In fact, I was so impressed with the Decotex questionnaire, on November 4, 2007, I asked Namaste to send me a questionnaire for CCC (Questionnaire, incorporated herein and attached as ***Exhibit A***). Because the first questionnaire was designed for a father-son partnership, there were numerous modifications in the questionnaire developed for CCC as one would expect if they are partnering with a stranger. I used this revised document as my starting point for my discussion with Wilson and Steve Potts, Esq. in creating an operating agreement for CCC.

12. I disagree with the assertion of counsel for Wilson that "most (if not all) of the items on the list . . . accurately describe the agreement of the parties." (Wilson Memorandum in Support of Summary Judgment, p.4). I would not have treated a stranger with the same level of generosity and freedom that my father was willing to give me in Decotex. There was no agreement of the parties as to an operating agreement; on more than one occasion I tried to get Wilson to engage and agree to an operating agreement. He never would.

13. I was the President; I held that role because I provided the start-up funding, and aside from the sales and purchasing roles that I delegated to Wilson, I had final authority on all other matters.

14. In the summer of 2008, Wilson began to ask for distributions from the Company. Accordingly, we began the task of determining the value of the EFS business and what a fair monthly income could be.

15. Our discussion on this point came to a head in late June of 2008. Wilson sent me an e-mail wherein he stated that, "the real question is this – are the customers, vendors and margins I am bringing to the table worth the salary we are proposing? If I am to focus all my efforts in the film business on CCC, I am foregoing opportunities to earn money on those opportunities outside of CCC." (Wilson Exhibit Book, Ex. 5).

16. It is critical to understand that Wilson was never guaranteed a monthly payment from CCC; he was not a contract employee; he was an owner. Moreover, the idea behind the beginning monthly pay, consistent with Wilson as an owner, was that he would receive a "'priority guarantee' based off the profits on the accounts." (Wilson Attachment Book, Ex. 5). Accordingly, if there were no profits it follows that there would be no monthly pay.

17. Following these e-mail communications and personal discussions, and starting in July of 2008, Wilson began to receive $8,000.00 per month from CCC. This monthly check was funded with capital I put into the Company, and was provided in consideration for Wilson's promise to "focus all . . . [his] efforts in the film business on CCC." (Wilson Attachment Book, Ex. 5). With Wilson's commitment, the Company got up and running.

(As discussed below, since this litigation began, I have learned that Wilson did not honor his commitment to work solely for CCC.)

Working Capital from Gandis

18. When Wilson agreed to contribute EFS into CCC, I agreed to provide the needed start-up capital in order to purchase film and the initial equipment and, as noted above, later expanded this commitment to provide Wilson with initial monthly income. The agreement never provided that I would serve as the bank for CCC into perpetuity. The goal was that CCC would become self-sufficient quickly; if it could not become self-sufficient, then like any other business venture (like Stewarts Tolling), it would ultimately fail.

19. This fact is further supported by our initial business plan. In 2008 Dave suggested that we needed additional equipment to grow so we began soliciting funding for the $225,000 equipment purchase. Wilson and I prepared an initial draft of the business plan to be presented to lenders (Business Plan, incorporated herein and attached as ***Exhibit B***.). As you can see, there was no expectation by Wilson that I would be the party to fund this 2008/2009 monetary requirement; I had fulfilled my financial commitment to our venture. Notwithstanding that I had already provided my capital commitment, I voluntarily provided capital to the company through 2010 in an effort to get it going. I stopped doing this in 2011; under our agreement it was my right to stop funding the company with my money. By exercising my rights, this had the effect that Wilson would have to start borrowing money from the company in order to keep a monthly draw. At this time, it is critical to know that none of us were receiving preferential treatment. Only Wilson received this, and there was no basis in any agreement for it.

20. It is important to clarify what the contribution of EFS into CCC actually looked like. EFS was Wilson; there were no other employees; there were almost no assets beyond office type supplies. In fact, as I later learned, when Wilson rolled EFS into CCC and began receiving a monthly draw, he received a significant boost in his monthly income compared to what he was making operating EFS on his own. Moreover, the customers that he brought to CCC did not stay and the one customer that had significant revenues was based on a business agreement that was destined for failure. In short, Wilson's contribution of EFS to CCC was essentially Wilson, his knowledge of the film industry and contacts in the same.

21. The position advanced by counsel for Wilson on page 10 of the memorandum in support of partial summary judgment, that almost three years after the creation of CCC, it was my promised obligation to continue to fund the operations of CCC when it needed cash is not correct and is refuted by Wilson's owns business plan.

22. CCC was able to close the purchase on the equipment. In order to close, Wilson and I agreed that monthly distributions would not exceed $6,802.84 until the equipment was fully paid off (which was projected to be in 2014). His distribution was reduced according to this agreement starting September 2009. When Wilson later approached me for increases in draws, he expressly told me such increases were necessary for his taxes.

23. In 2010 CCC had record sales that generated over $1 Million in net income. Instead of keeping some of that revenue in cash, Wilson, acting as the Vice President of sales and purchasing poured a significant amount of that money back into film purchases. Consequently, when the tax liability for the 2010 net revenue came due, the Company did

not have the cash to cover the tax liabilities of its members—all of the "cash" was sitting in the Company's warehouse in the form of film.

24. In order to cover my tax liability, I had to borrow money, a portion of that was from my home equity line. Counsel for Wilson apparently finds fault in my decision to use a line of credit to cover my personal tax bill, and for not using this line of credit to cover Wilson's tax bill. (Wilson Memorandum in Support of Summary Judgment, p.9 (discussing the impact of paying off a line of credit and using it for my personal tax liability, such that the Company no longer had access to cash in order to make a tax distribution). It is important to underscore that my agreement to provide start-up capital, even assuming it was to run into perpetuity, which it was not, was never an agreement to fund the tax liability of Wilson.

Structure/Restructure Wilson

25. In the spring of 2011, it became apparent to me that Wilson had a tax bill of over $200,000, and he had no ability to pay that bill.

26. It is also important to note that only months earlier, during Christmas 2010, I caught Wilson doing side deals. He assured me this was a one-off and that he just needed more money for Christmas; I told him in no uncertain terms that that conduct was not acceptable in our deal. This episode troubled me, and gave me great concern that Wilson was in over his head.

27. In short, I was concerned about my partner and the future of CCC.

28. As my friend and trusted advisor, I confided this information to ACS, and asked her to think of a way to fix these problems.

29. The first step in this process was a scheduled lunch meeting with Wilson, ACS, and myself in late March/early April 2011. As it turned out, however, I could not make that meeting. In an effort to make sure that we had a plan, and that things were not held up because of me – I asked Andrea to come up from Atlanta to keep the lunch meeting with Dave.

30. In this litigation, Wilson has alleged that he was forced out of the Company. I reject that position. We always wanted him to stay. To that end, we needed to figure out a solution that worked for Wilson. Some of ACS's comments prior her meeting with Dave, excerpted below and found at Exhibit 25 to Wilsons Exhibit Book, confirm that this was not an attempt to squeeze him out.

> He keeps wishing that cash would fall from the sky . . . but we have to BUILD the business to support additional cash. . . . Upon reflection, your absence may give him the opportunity to share with me his concerns about cash flow results that he hasn't yet been able to express to you. OR rather, that he merely chooses to say to you, why are we not taking the risk of borrowing to fund our lifestyles? I plan to explain to him that the role of an owner (even in an LLC) involves financing his business, mostly through deferred compensation. That an owner's eye is on the upside.
>
> . . . .
>
> I would then propose to him that his actions (e.g. loans from company) seems to indicate that he would really rather be in a structure where he receives good monthly salary and he earns a regular bonus. This alternative structure gives him (a) more cash now and (b) preserves some of his participation [in] the financial results. It also means that he would convert to a situation where his tax obligation matches his cash flow situation.
>
> . . . .
>
> If we are going to talk about what it means to be an owner, I think it is important that he not feel TRAPPED by his LLC and realize that . . . at this point in the game ... we can talk restructure of his participation in a way that should be a win-win.

31. Following the April meeting, the members began meeting to develop an inventory reduction plan so as to generate cash for the purpose of meeting the tax obligation of all owners. Unfortunately Wilson never implemented the action steps and kept buying film in excess of the company's need. No actions were taken with regards to (re)structure.

32. Nevertheless, the driving concern—Wilson's outstanding tax bill—was not going away.

33. Concerned for this tax bill, I asked ACS to try and create a mechanism that would wipe out his tax bill. Part of these communications can be found at Exhibit 29 of Wilson's Exhibit Book. Exhibit 29, dated October 13, 2011, is an e-mail exchange between ACS and myself. The title of the e-mail is "Restructuring *for* Dave." (emphasis added). This was not an attempt to push Wilson out of the Company; this was an effort to alleviate his tax bill once and for all and for all future years. As the e-mail exchange provides, ACS developed a method whereby Wilson would convert from an equity holder to an employee, and allocate various losses to him in order to wipe out his tax bill.

34. An important point to make about Exhibit 29 is that it shows that my efforts were not put in motion to create a squeeze out but in an effort to help out. After ACS sent me her idea, I asked her whether this was in a form that "I could forward directly to Dave?" She responded, "[n]o problem at all." This was an above board effort.

35. Wilson did not appreciate my effort or my idea. Four days later, after speaking with his accountant, he responded with a belief that the proposal was flawed and would not help. (October 17, 2011 e-mail, incorporated herein and attached as ***Exhibit C***)

36. He also set forth three items for me to consider, and none of them sounded like Wilson; it was as if the e-mail had been written for someone else to read.

37. First he suggested that we start making regular accruals and distributions to cover tax liabilities, and that he would set up a payment plan with the IRS. He also commented that he did not know of any business owners that "would continue to participate in a business that d[id] not budget for and disperse funds to cover tax liabilities."

    a. My first thought after reading that was, again, this is not Wilson. We had previously tried to set aside funds for tax liabilities but he insisted on using those funds to purchase film. (*See* Wilson Exhibit Book, Ex. 26, e-mail dated Sept. 6, 2011 ("Well – the good news is that we have a bunch of money available in our inventory (specifically excess inventory) ..). Moreover, starting in May 2011, Wilson began to receive a larger monthly draw with the express purpose that he would put some of that money away for taxes.

38. Second, he suggested that he would just resign from the company, retain his equity interest, and go work for a film company outside of CCC. He asserted that he did not have any duty to the Company, but would maintain all of the "rights and privileges of a member."

    a. After reading this suggestion, I became concerned that my plan for trying to help Wilson was a bad idea and had done more harm than the good I intended.

39. Third, Wilson suggested that he would just resign and dissociate; the Company would then have to purchase his interest **within 30 days**, and if the other members were "unable to or unwilling to buy" him out, then he would force a liquidation.

    a. After reading his final suggestion, I knew that my plan was a bad idea. Our customers don't always pay us in 30 days. If we had sold all our film yesterday, we likely wouldn't have the cash to meet this demand in this time period.

b. Moreover, Wilson's intimation that if we were "unable" to buy him out was a clear reference to our precarious cash position. This was a threat; Wilson was our sales guy, handled all of the purchasing, and we needed him, and he knew it. So, I retreated to try and figure out a better solution.

Three Options & Buy-Out

40. During this time period—2011—the Company was experiencing a cash flow crisis. Although the Company had generated good revenue in the past, the vast majority of that revenue had been converted into film stock. And during this time, the film was not being sold. We were missing our expected sales figures by large margins. Wilson knew this but would not acknowledge the economic reality of the situation.

41. My concern for the Company's cash flow is documented in Wilson's Exhibit Book. The following are some examples of my contemporaneous concerns:

a. Exhibit 18, March 7, 2011 e-mail:

> What's bothering me . . . . Pending tax liability . . . We've issued too many credits . .. I would feel better if we had our credit line set up . . just worried about cash. Example – We just ordered a boat load of film from 3M for a Demco job. We were 2 days late on an invoice and they were going to hold our order. I am afraid that cash flow challenges will [a]ffect our existing business and growth opportunities.
> . . . .
> My concern is that our business is off vs what was happening last year – June thru December. Hard to say what is happening. Domestics are going up in price, imports are dropping price . . and we are much more reluctant to play in the 'scrap' game this year. . . . I just don't want to over extend.

42. Turning a blind eye to the economic reality of the Company, Wilson insisted on receiving monthly draws, which the Company could not afford. An e-mail from ACS to me on November 9, 2011 expressed this fact in typical ACS fashion:

> I know Dave wants to be a partner – and I support him in that goal – but we really need to come to a consensus on how the business is going to be

> managed. Very simply – we are saying to Dave – "we completely agree with you that the cash generated by the company is the owners. Where we disagree is WHEN the cash will be distributed. Going forward we are making three changes that are going to have a negative impact on your monthly cash flow – but I need to you to agree with me on all three of these points if you want to stay as an owner. First – all distributions will be pro-rata on the same day. Second, no longer will we delay payments to a vendor so that a distribution can be made to any owner on the first of the month. Finally – so as to keep the owners evenly aligned – we will not be making advances to owners but we will take some time to restore the balance. (Wilson Exhibit Book, Ex. 41).

43. In that e-mail ACS was identifying the problem occurring in the Company. Wilson was receiving monthly draws while ACS and I were not. Moreover, Wilson was demanding monthly draws that were causing us to late pay our vendors. Wilson was essentially asking us to treat him as an employee, but wanted the future benefits of ownership.

44. In consultation with advisors, I came up with three options for Wilson. The context for these three options flowed from the cash flow issues discussed above, and the need to address Wilson's outstanding tax bill.

45. The three options were sent to Wilson on October 31, 2011, a copy of which is attached hereto as ***Exhibit D***: (1) Remain as a member and begin being treated the same as the rest of the members; (2) Buy-Out and become a salaried officer, with a bonus plan to allow for continued participation in growth; and (3) Membership modification in order to wipe out his tax bill, and become a salaried officer with a bonus plan to allow for continued participation in growth.

46. It is important to state that I did not care which option Wilson chose. We just needed to fix this problem. As I wrote in an e-mail to ACS following a conversation I had with Wilson: "I told him that I was indifferent to what he chooses. Once I knew what he wanted to do we could work on a plan." (WEB Ex. 38.)

47. The content of this letter shows that this was not a squeeze out. This was economic reality. With regard to option one, I truthfully wrote that, "I have funded the distributions you received through 2010. I borrowed against my family's home so as to put cash into the company that funded your distributions. I stopped funding the distributions this past year."

48. I also attempted to clarify the economic reality that his insistence on being treated differently than the other members created. I truthfully wrote that, "As you know, this cash shortage is primarily a result of the amount of film we have carried on our books." I also truthfully wrote that, "Recently we have had to pay several of our vendors late in order to set aside funds to loan to you. It is not in the best interest of our company to pay our vendors late, particularly when we have the funds available to pay them. The current payment of $12,000 a month is too great a burden to pay monthly while assuring our legal obligations be paid in the order as they are outlined above. However, it is not my desire to create an undue burden for you and your family either. I have three options for you to consider."

49. Wilson generally wanted the best aspect from each of the three answers – which was impossible to deliver. I always presumed that he would eventually select option two as this option would eliminate his 2010 and 2011 tax bill(s) and still let him participate in the growth of the company. The reason that this did not occur, however, was because Wilson never replied to the letter and our communications were so muddied I could not tell what he wanted the company to actually do. He kept insisting that the company just fund his taxes, but he wouldn't sell the film in a way that would let this happen. When he missed the original November deadline in the letter, we extended it the offer so that we

could hopefully fix his tax liability problem before year end. The conversations from November and December 2011 were generally unsuccessful and eventually he asked me to give him a fixed number for him to consider.

50. Up until the date when Wilson received the "Articles of Incorporation," he believed that he could have the company liquidated at any time that he desired; and he was threatening me to do just that, all the way through the Christmas/New Year's shut down, and to put 23 employees out of work.

51. When the buy-out discussion got going, Wilson told me that his family was considering buying me and ACS out and asked would we sell at that same price. We were more than happy to make that offer.

52. We confirmed that we would sell for the exact same price that we were valuing his interest at, and I offered to include the building where CCC operates at a price discounted from my original cost.

53. We eventually discovered that Wilson was talking outside of his family and asked him to disclose the nature of the conversations. When he said he was speaking to several buyers, he consistently refused to disclose their names or share the information that he was providing to them. When asked, he assured me that he was protecting our confidential and trade secret information.

54. Wilson's potential purchasers never materialized. (As discussed below, it appears pretty clear that Wilson was never serious about buying us out, he was looking for a new job.)

55. Because we never reached an agreement on the buy-out or the employment agreement, by default, I presumed that Wilson would remain as a member and that we could finally refocus our energies on fixing CCC's situation.

Through Counsel, Wilson Tells Me He Wants to Leave

56. On January 17, 2012, the company received a phone call from John Zamer; Zamer is an attorney that practices in the Atlanta office of Jones Day. Zamer and my father go way back. Jones Day has consistently billed CCC at very fair prices and I suspect for only a small portion of the work they do.

57. The phone call. Zamer called after speaking with Wilson's lawyer as it was clear that Wilson was leaving and Zamer was concerned about the company's trade secrets and confidential information

58. I had spent that morning with Wilson discussing our most significant new prospective deal for 2012 explaining to him the company's plan to bring it to fruition. He sat in that meeting with me, knowing full well that his attorney was going to be making this call, and let me divulge this opportunity even though he planned to .become our competitor.

59. After getting past the initial shock of this personal betrayal, I began to think about the Company. We had 23 W2 employees at that time, and two commissioned sales people. I also began to think about what else Wilson might take from the Company. I knew he had been in communications with FilmTech and suspected that this was going to be his vehicle for moving forward. I became very concerned that he was going to more than just the information contained in his head.

60. We sought the advice of a South Carolina employment lawyer because Wilson wears two hats in our company – owner and employee. Since I was concerned that he would take company files and also erase the evidence related to this conversation with FilmTech and others, we were advised to have a police officer on hand in the event that assets were

removed. I showed up the next day with a letter to accept Wilson's resignation and with the intention to safeguard valuable company assets.

61. My plan did not work, however, as he took the computers, files, and other company assets.

What I Learned Since Wilson Left and this Litigation Began

62. When I agreed that the company would provide Wilson a monthly draw to get our business up and running, Wilson promised me that he would work exclusively for CCC. Wilson did not fulfill his promise.

63. **Over $1.7 Million**. Since this case began, and I have received discovery on these issues, I have learned that Wilson continued to operate EFS on a continuous and sustained basis for at least a full year after he began receiving monthly pay with my capital. I say at least because discovery is ongoing and we do not know the full scope of his activities. Moreover, and since this litigation began, I have learned that he engaged in these side deals with his brother-in-law Steven Norvell. Moreover, and since this litigation began, I have learned that Wilson transacted over $1.7 Million in sales outside of CCC while receiving monthly pay from CCC. That means that while CCC was paying Wilson his monthly income, with my capital, Wilson was also in direct violation of his agreement to "focus all . . . [his] efforts in the film business on CCC," (Wilson Attachment Book, Ex. 5), not to mention his fiduciary obligations.

64. When Wilson left CCC on January 18, 2012, he took two Company computers and a Company blackberry. He returned the blackberry and one of the computers on January 31, 2012 he returned the other computer on February 2, 2012. Wilson returned both of these devices to the Company's lawyers at Nexsen Pruet. Nexsen Pruet then sent them to

a computer forensics laboratory. The computer forensics laboratory analyzed these devices and determined that Wilson deleted all of the information off of one of the computers and ran erasure programs on the other computer, and that he replaced the sim card on the blackberry. He did all of this between leaving CCC and returning the devices to Nexsen Pruet. During the entire month of January, Wilson had counsel and his counsel was in contact with my counsel over the possibility of litigation.

65. Although Wilson told us that he was looking for a purchaser for the Company. From everything that I have seen, the only serious party involved in this discussion was a company called FilmTech and its owner, Mark McGarel; FilmTech was not looking to buy the Company, Wilson was looking to go and work for FilmTech.

> In a January 11 email to McGarel his intentions are laid out clearly:
>
> I spoke with my attorney today about leaving CCC and going to work for you – I would like to hammer out the details of an agreement with you...I am ready to go at any time and will dissociate as soon as you and I have our deal in place.
> Later in a a January 16, 2012 e-mail:
>
> Hi Mark,
>
> I look forward to the opportunity to join your organization. . . . Here are the points of discussion for our agreement.
>
> . . . .
>
> 4. Full time employee with draw or salary of $8k per for month for a period of time until my commission reaches a level that supports my needs. My goal will be to move as much of the business I manage at CCC to Filmtech as quickly as possible. In addition, I will work to bring prospective business that CCC has been working on our qualifying over the past 3 to 6 months.

66. Wilson did not go and work for McGarel and FilmTech, but he must have believed that he was going to have a job there. This e-mail was sent right around

the time that Wilson's lawyer called Zamer and told him that Wilson was going to leave CCC.

67. I have another observation from this e-mail that is relevant to this case. In the e-mail, Wilson tells McGarel that he will need a draw or salary of $8k per month until his sales reach a level that will meet his needs. That is essentially what Wilson pitched to me back in 2008 when I agreed to provide him with my capital in order for him to "focus" all his efforts on the Company; again Wilson was never supposed to receive monthly pay forever and it was solely his responsibility to manage inventory levels so that profits would not be reinvested in film any sooner than necessary.

68. Wilson did not go to FilmTech and bring with him "as much of the business" and "prospective business" from CCC as he could; instead, he did that at Neologic/Fresh Water, a new name/venture with his brother-in-law Steve Norvell.

E-mail Storage

69. Like most companies in America, CCC's corporate e-mail accounts are backed up and stored.

70. This is an important tool for CCC because most, if not all, of our sales activity occurs via e-mail communications. Accordingly, it is vital that we have a system in place that stores e-mail traffic.

71. As the manager of CCC, I had access to the backed up and stored e-mail traffic.

72. The Company handbook makes clear that there is no privacy when it comes to corporate e-mail. (CCC Handbook, attached as ***Exhibit E***).

73. The suggestion that I or anyone else at CCC, "intercepted" Wilson's e-mails is a fabrication.

74. Wilson's corporate e-mails were backed up and stored in the regular course of business, and Wilson knew that.

DecoTex

75. I am a co-owner of a Company named DecoTex. Counsel for Wilson's suggestion that I was to contribute Decotex to a venture with Wilson is unfounded and preposterous. This company was newly formed in 2007 solely with my father's money. My equity interest in that company was to be earned with my time. The company was not mine to give or to share.

76. DecoTex leases, owns, and the licenses industrial "tooling" that are used to create decorative wall paper for use in recreational vehicles and mobile homes. The "tools" (in the forms of rollers) have designs imbedded in the rollers such that when the wall paper material is fed through the rollers, the material becomes imprinted with designs. By way of example, one of the rollers that DecoTex owns contains a stucco design; when the wall paper is fed into that roller, the resulting wall paper has the appearance of stucco. DecoTex was formed before CCC; it does not compete with CCC; it is not in the same business / market.

77. Before the creation of CCC, DecoTex, as well as M-tech were both administered out of my office in my building where CCC is presently located at (1017 River Heights, Anderson, SC). Because DecoTex's records were previously located there, in the transfer of data / backing up of older computers, some of its information ended up and is still contained on the servers that are now used by CCC. Moreover, because DecoTex was

previously located at the same location, from time to time faxes are erroneously sent to the CCC fax line that has the same number as the previous DecoTex fax line.

78. My wife, Denise Gandis, began handling payroll matters for CCC in May of 2010. On average, she spends 10 hours per week, at $14 per hour, for this work. Denise is not paid by CCC to do any work for DecoTex.

79. Joy Whitten is an employee of CCC, and she handles what can be generally referred to as "front office/accounting/book keeping" work. Joy does not presently work for DecoTex. Joy used to do work for DecoTex back in 2007-08.

80. Counsel for Wilson has argued that DecoTex conducts business out of CCC's headquarters based upon the fact that it has received a fax there. (Wilson Memorandum in Support of Summary Judgment, p.8). That statement is supported by a citation to the deposition of Joy Whitten. In that deposition, in response to the question of how Joy knew DecoTex was a going concern, Joy testified that "occasionally, I might see a fax come across, an order that's for DecoTex." Joy went on to testify that a fax may come across "maybe once or twice a month." Counsel for Wilson's characterization that receiving an errant fax once or twice a month constitutes doing business out of the location where CCC is located is not correct.

81. During the time Dave was at CCC, I worked for DecoTex handling its administration functions. This role changed long after Wilson left due to the termination of the original royalty arrangement but the nature of the business is unaltered.

82. In the March 2011 timeframe, Joy remained overwhelmed with her work at CCC despite the fact that we had recently brought on temporary help in the accounting office.

83. During that same timeframe Andrea Comeau-Shirley ("ACS"), who provides tax and business consulting services to CCC, began to stress to me the need to hire more employees to help Joy with her accounting duties.

84. As an aside, ACS also provides to me, personally, tax and business consulting services. In that role, ACS has knowledge of the work I do for DecoTex and CCC.

85. In her role as my personal advisor, ACS knew that I was getting behind on organizing my files and accounts related to DecoTex.

86. In an effort to convince me that CCC needed two experienced employees designated to help Joy accounting work, which was needed, Andrea sought to sell me on the idea that Joy could re-start her work for DecoTex—the work she was doing in 2007-08.

87. This was a proposal, the language quoted on page 8 of the memorandum in support of partial summary judgment makes this clear: "*I want to get Joy* . . . Decotex (*I see this being* . . . *if she took* the weekly . . . reports. (Wilson Memorandum in Support of Summary Judgment, p.8 (block quote) (emphasis added).

88. CCC does not in any way subsidize DecoTex.

Rent for CCC's Headquarters and Warehouse

89. Because CCC was a start-up company and I was funding these expenditures, I did not immediately pay myself for the building space and the first rental check was not paid until June 2008. Like the initial start-up capital, while I had to agree to forego immediate payment at market rates, I did not agree to forego rent forever.

90. I have yet to be paid the fair market value for the building space that CCC uses.

91. The 2010 below market rate of $2,500.00 per month is equivalent to a price per square foot of $0.0925.

92. The 2012 rate rent of $6,000.00 per month is about $0.222. per square foot and still does not appropriately reflect the market value for the manufacturing area.

ZoiFilms

93. ZoiFilms was created months after Wilson left, and in order to operate outside of the cloud of CCC. The film business is a small world. After Wilson left CCC, news that it may one day be shut down or dissolved quickly became commonplace in my conversations with customers, distributors, and film suppliers.

94. No one at CCC ever uttered these words to the marketplace.

95. News of CCC being shut down or dissolved, caused CCC to lose its established credit with its suppliers, and I believe that it has caused the Company to lose business.

96. ZoiFilms was also created with the purpose that it would specialize in the food industry. That goal never materialized.

97. ZoiFilms was also created under the mistaken belief that we would soon reach a settlement with Wilson, and we would begin to carve out a "new" separate entity, with a different business model / plan. Upon consulting with counsel on this issue we were told that it would be unwise to do this prior to resolving matters with Wilson.

98. Every penny of business transacted through ZoiFilms has been put into CCC or expended in growing CCC's business.

Response to Various E-mails Cited in the Memorandum

99. At page 13 of the WM, counsel for Wilson cites to an e-mail from September 21, 2011 (WEB Ex. 28). In that e-mail Wilson is asking us to consider converting from an LLC structure to an S-Corp. structure. I note that this is an interesting request and that "[n]ow maybe the panick is setting in." What I was expressing was that now Wilson maybe

finally understood that the Company's cash flow situation was as dire as we had been telling him, and now maybe the panic of knowing that we really couldn't make a tax distribution unless he sold the film was setting in.

100. At page 14 of the WM, counsel for Wilson cites to an e-mail from November 13, 2011 (Wilson Exhibit Book, Ex. 32). In that e-mail I state that, "[w]hat if he decides to not change anything in our structure - but rather . . . 'do nothing' – but leave to get another job? Or go back to selling film with Eastern Film? Would we have to prove that he was never 'an owner'?" Counsel for Wilson takes this statement out of context, and writes that I was "wonder[ing] aloud if [I] c[ould] prove that he was never an owner." This question unfairly states what is the reality. Wilson had already told me that he had the right to just go home and continue to collect his share of CCC's profits. The proper context of my question is best demonstrated with a cash example. If Wilson had agreed to put $100,000 into our company in exchange for his equity and only delivered $20,000, it would not be unreasonable for me to wonder aloud if his equity should be adjusted. When Wilson was inducing me to "try again" with him after Stewarts Tolling had failed, he promised that he would bring a robust pre-existing client base, suppliers of good quality films, and that he came with business experience that would allow him to successfully manage inventory. He also told me that he had the skills to develop a marketing plan and develop a sales force to implement growth. And as discussed above, he later committed that he would make this his full-time obsession. He did not deliver as promised. I believe these representations were false and misleading. I not only fulfilled my financial and time commitments, but I put my family assets at risk by continuing to fund working capital beyond my original agreement and, during 2011 had agreed to

pledge my own assets should Bank of America extend the line in 2012 so that Wilson and I could continue working together

December 2012 Offer to Purchase My Equity

101. I attended the December 6, 2012 hearing wherein Wilson's counsel told the Court that an offer was made to purchase my equity, and that dissolution should not occur. I received that offer on the evening before the hearing. After having a full day to review the offer and speak with ACS, I decided to accept the offer; I sent a term sheet to Wilson by e-mail on December 10, 2012. (December 10, 2012 e-mail attached and incorporated herein as ***Exhibit F***).

Distributions

102. I have reviewed the applicable company records. The last time that I received a distribution was on April 19, 2011. The last time that ACS received a distribution was on March 15, 2011.

FURTHER AFFIANT SAYETH NAUGHT.

JOHN GANDIS

SWORN and subscribed to before me
this 19th day of June, 2014.

Notary Public for South Carolina
My Commission Expires: 3/16/2019

JOY H WHITTEN NOTARY PUBLIC SOUTH CAROLINA
My Commission Expires March 16, 2019

EXHIBIT A
TO AFFIDAVIT OF JOHN GANDIS

Gandis – Business Opportunities Meeting
October 30, 2007

Partnership ("LLC") Structuring Issues

1. Ownership, Income & Distributions:
    a. What will be contributed as capital by each member to the LLC?
        i. At Formation?
        ii. Subsequently?
    b. What are the ownership percentages?
    c. Will any member have a preferential distribution of profits or cash flow?
        i. John – annual payment for services
        ii. Cliff – return on capital invested
    d. How and when will cash flow be distributed?
        i. By majority vote?
        ii. Mandatory distribution of all profits?
        iii. Distributions sufficient to pay income taxes on LLC profits allocations (What to do when cash flow does not match taxable income)?
2. Management
    a. Will managers be designated or will all managers jointly manage?
        i. Do some have specific powers?
        ii. If more than one, how to handle joint management?
    b. How to handle votes in a two-member entity?
    c. What decisions require special voting (e.g. supermajority or unanimous vote of members/managers)?
        i. Hiring senior lever employees?
        ii. Terminating employees?
        iii. Admitting a new member?
        iv. Purchase or redemption of membership interest except as specifically contemplated by an LLC operating agreement?
        v. A change in the nature of the LLC's business?
        vi. Any requirement obligating (all) members to make additional capital contributions?
            1. Approval of RFPs prior to submission by contributing member?
            2. Notification of bid variances > x% prior to funding?

vii. The creation by the LLC of any debt or contract obligations that, taken with all other existing debts and contract obligations (other than anticipated obligations to pay for routine services and supplies) require the LLC to pay more than _____ (specify amount) in any year?

viii. Entering into any agreement or arrangement with an affiliate of a member?

ix. Liquidation or dissolution of the LLC?

x. Taking any action, including but not limited to the sale of any asset, outside the ordinary course of business?

xi. The merger or consolidation of the LLC with another entity?

xii. Relocation of the LLC's principal place of business, the opening of any new company office, the entrance into a new business by the LLC, or the cessation of the LLC's business?

xiii. Increasing, modifying, consolidating, or extending any loan, whether secured or unsecured, affecting the LLC?

xiv. Distributing any cash or property of the LLC to any member, other than as provided in the LLC operating agreement?

xv Assigning the rights of the LLC in any of its properties?

d. In a two-member deal – recommend that the operating agreement can be amended only by unanimous vote.

3. Employment and Compensation

a. Will Service partner (John) be "employee" (i.e. receive guaranteed payments) of the LLC? (Note: true employee status is not possible with an LLC). Should Cliff receive compensation for his time or should we increase his percentage to compensate for his efforts?

b. Is compensation to be paid as a stated salary or under a formula? (Or is compensation to be left to a vote of the members/managers (see Paragraph 1D)).

c. Generally employee benefits (vacation, insurance, etc) should also be described – unless they are provided in a separate entity.

d. Termination of employment

i. On what notice can employee quit?

ii. On what notice can the LLC terminate employment without cause?

iii. Need to include a "for cause" provision, will notice be required?

e Is there a noncompete provision?

i During employment?

ii After termination or employment?

f. Is there an agreement regarding disclosure of confidential information?

g. Is there an agreement regarding solicitation of employees?

4. Transferability and Issuance of Membership Interest
   a. In general, membership interests should be NONTRANSFERABLE
   b. Should transfer to family members or other members or employees be permitted?
   c. Can the LLC issue new membership interests without giving existing members preemptive rights?
5. Buy – Sell Provisions
   a. How is each membership interest valued?
      i. Net book value based on financials:
         1. Use depreciated value or 50% of cost, whichever is greater?
         2. Accrue all expenses?
         3. Exclude accounts receivable and pay some percentage as salary continuation?
         4. Exclude life insurance proceeds on the death of a member
      ii. Formula based on some other factor (with Goodwill component)?
      iii. Outside Appraisal?
      iv. Is each member guaranteed to receive what he paid (capital) or some stated amount?
   b. Who should purchase the interest (the LLC or the other members)?
   c. What happens on the death of a member?
      i. Mandatory purchase by the LLC? (Time period of at least 18 months)
      ii. Option to purchase by the LLC? (Or the other member)?
      iii. "Put" by estate to LLC? (Or other member)?
   d. What happens on disability of member?
      i. Same as death?
   e. What happens with divorce of a member?
      i. Prohibition on actual transfer of interest to spouse?
      ii. Prohibition on involvement by spouse?
      iii. Other?
   f. What happens on termination of employment of member?
      i. Voluntarily by the member

1. Immediately off manager board?
2. No further vote as member?
3. Mandatory purchase by the LLC?
4. Option to purchase by the LLC?
5. No obligation on LLC to purchase?

ii. Involuntarily by the LLC

1. Same issues as above
2. What if terminated "for cause"
    a. Reduction in value?
    b. Reduction in salary continuation?

g. How is the purchase price to be paid?

i. Immediately available funds upon closing?

ii. Installments over 36 months (or lesser period)?

1. Interest rate?
2. Security interest in LLC assets to secure payment?
3. Personal guaranty by other members?
4. Are there extended payments at lower (or no) interest rates for members who quit?
5. Is there a non-compete that causes forfeiture of payout of membership value or salary continuation?
6. Is there a vesting schedule on the value or on any salary continuation?

iii. Will there be any life insurance on the members?

iv. Should there be a "put-call" provision? (What period of time permitted on reciprocal offers?)

Gandis – Business Opportunities Meeting
October 30, 2007

Partnership ("LLC") Structuring Issues

1. Ownership, Income & Distributions:
    a. What will be contributed as capital by each member to the LLC?
        i. At Formation?
        ii. Subsequently?
    b. What are the ownership percentages?
    c. Will any member have a preferential distribution of profits or cash flow?
        i. Partner - annual payment for services
        ii. John - return on capital (equipment) invested
    d. How and when will cash flow be distributed?
        i. By majority vote?
        ii. Mandatory distribution of all profits?
        iii Distributions sufficient to pay income taxes on LLC profits allocations (What to do when cash flow does not match taxable income)?
2. Management
    a. Will managers be designated or will all managers jointly manage?
        i. Do some have specific powers?
        ii. If more than one, how to handle joint management?
    b. How to handle votes in a two-member entity?
    c. What decisions require special voting (e.g. supermajority or unanimous vote of members/managers)?
        i. Hiring senior lever employees?
        ii. Terminating employees?
        iii. Admitting a new member?
        iv. Purchase or redemption of membership interest except as specifically contemplated by an LLC operating agreement?
        v. A change in the nature of the LLC's business?
        vi. Any requirement obligating (all) members to make additional capital contributions?
            1. Approval of RFPs prior to submission by contributing member?
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vii. The creation by the LLC of any debt or contract obligations that, taken with all other existing debts and contract obligations (other than anticipated obligations to pay for routine services and supplies) require the LLC to pay more than _____ (specify amount) in any year?

viii. Entering into any agreement or arrangement with an affiliate of a member?

ix. Liquidation or dissolution of the LLC?

x. Taking any action, including but not limited to the sale of any asset, outside the ordinary course of business?

xi. The merger or consolidation of the LLC with another entity?

xii. Relocation of the LLC's principal place of business, the opening of any new company office, the entrance into a new business by the LLC, or the cessation of the LLC's business?

xiii. Increasing, modifying, consolidating, or extending any loan, whether secured or unsecured, affecting the LLC?

xiv. Distributing any cash or property of the LLC to any member, other than as provided in the LLC operating agreement?

xv. Assigning the rights of the LLC in any of its properties?

d. In a two-member deal – recommend that the operating agreement can be amended only by unanimous vote.

3. Employment and Compensation

a. Will any partner be "employee" (i.e. receive guaranteed payments) of the LLC? (Note: true employee status is not possible with an LLC). Note- a guaranteed payment is different from a profit split in that the guaranteed payment is fixed – even if no money is made (or profit is earned). A guaranteed payment needs to be funded from alternative sources when no profits are there.

b. Is compensation to be paid as a stated salary or under a formula? (Or is compensation to be left to a vote of the members/managers (see Paragraph 1D)).

c. Generally employee benefits (vacation, insurance, etc) should also be described – unless they are provided in a separate entity

d. Termination of employment

i. On what notice can employee quit?

ii. On what notice can the LLC terminate employment without cause?

iii. Need to include a "for cause" provision, will notice be required?

e. Is there a noncompete provision?

i. During employment?

ii. After termination or employment?

f. Is there an agreement regarding disclosure of confidential information?

g. Is there an agreement regarding solicitation of employees?

4. Transferability and Issuance of Membership Interest
   a. In general, membership interests should be NONTRANSFERABLE
   b. Should transfer to family members or other members or employees be permitted?
   c. Can the LLC issue new membership interests without giving existing members preemptive rights?
5. Buy – Sell Provisions
   a. How is each membership interest valued?
      i. Net book value based on financials:
         1. Use depreciated value or 50% of cost, whichever is greater?
         2. Accrue all expenses?
         3. Exclude accounts receivable and pay some percentage as salary continuation?
         4. Exclude life insurance proceeds on the death of a member
      ii. Formula based on some other factor (with Goodwill component)?
      iii. Outside Appraisal?
      iv. Is each member guaranteed to receive what he paid (capital) or some stated amount?
   b. Who should purchase the interest (the LLC or the other members)?
   c. What happens on the death of a member?
      i. Mandatory purchase by the LLC? (Time period of at least 18 months)
      ii. Option to purchase by the LLC? (Or the other member)?
      iii. "Put" by estate to LLC? (Or other member)?
   d. What happens on disability of member?
      i. Same as death?
   e. What happens with divorce of a member?
      i. Prohibition on actual transfer of interest to spouse?
      ii. Prohibition on involvement by spouse?
      iii. Other?
   f What happens on termination of employment of member?

i. Voluntarily by the member
    1. Immediately off manager board?
    2. No further vote as member?
    3. Mandatory purchase by the LLC?
    4. Option to purchase by the LLC?
    5. No obligation on LLC to purchase?

ii. Involuntarily by the LLC
    1. Same issues as above
    2. What if terminated "for cause"
        a. Reduction in value?
        b. Reduction in salary continuation?

g. How is the purchase price to be paid?
    i. Immediately available funds upon closing?
    ii. Installments over 36 months (or lesser period)?
        1. Interest rate?
        2. Security interest in LLC assets to secure payment?
        3. Personal guaranty by other members?
        4. Are there extended payments at lower (or no) interest rates for members who quit?
        5. Is there a non-compete that causes forfeiture of payout of membership value or salary continuation?
        6. Is there a vesting schedule on the value or on any salary continuation?
    iii. Will there be any life insurance on the members?
    iv. Should there be a "put-call" provision? (What period of time permitted on reciprocal offers?)

h. What should happen to assets in the event that the partners agree to voluntarily terminate the LLC?
    i. Each partner is entitled to receive the identical asset they contributed
        1. How is the asset to be valued at distribution?
    ii. What items would be required to be sold – so cash could be divided?
    iii. Would either partner be prohibited from continuing to pursue activities with the same customers, in same area, etc.?

EXHIBIT B
TO AFFIDAVIT OF JOHN GANDIS

Introduction & Summary

Carolina Custom Converting, LLC (the "Company") is located in Anderson, SC and is engaged in converting wide film into narrow cuts – primarily polyester film. Formed in November 2007 with the purchase of one slitter machine and additional machines have been added to keep up with customer demands (Let's be more specific – how many more We have "skipped" the issue of how these were financed ... we may need to visit that issue later). The Company achieved sales in excess of $1.6 million in its first year of operations.

The company has continued to demonstrate steady sales growth in a number of major markets, including packaging films, flexible duct, print based film, and specialty films. Carolina Custom Converting is seeking financial assistance for the purchase of 7 used machines complete with required tooling for $225,000

The Business

The Company's business is the conversion of thin plastic films and distribution of a large variety of substrates to manufacturers around the world. Our customers use the film in a wide variety of applications including the mining, flexible duct, and general packaging industries. Other potential applications/markets that will be served with the additional equipment include [DESCRIBE].

The Industry

The polyester film market in itself is an enormous market ({We need a number here – along with a SOURCE to quote revenues for the last several years. We need to be careful not to just blindly grab the film market. but to narrow it down to the revenue that we could participate in} . Domestic manufacturers produce only one third of what the US market requires (Are you referring to the producers of the wide rolls of film?). Polyester film is manufactured world wide. The film is extruded into various gauges and sold into a variety of products and applications. Polyester films are use in a vast variety of applications including – cable wrap, mining packaging, flexible duct, packaging just to name a few.

Some film is modified in a process called metallization where a very thin layer of aluminum is added to the polyester sheet to provide a highly reflective and impervious layer. While metalized film is consumed in a number of the same applications as clear Polyester film, metalized films are also used in applications such as window tint films, vapor barriers, sandwich wrap liners, and balloons.

Most converter/distributors are tied to specific manufacturers, and work with the products that are considered commodities. Other converter/distributors are more likely to work with premium grade films to maximize their throughput and capacity – few work towards product innovation to create product oriented niches and customer relations based on quality and service.

The Company

Carolina Custom Converting operates in a 25,000 square foot facility in Anderson, SC and currently employs seven people and five independent (domestic) sales representatives and one representative in Hamburg, Germany. The company currently services approximately 35 customers, its largest customer represents X% of it initial year revenues. The Anderson location is within an hours of three large polyester film manufacturers. Mitsubishi, Dupont, 3M, and SKC (is this the legal name?). These three manufacturers represent approximately Y% of the US polyester film market and Z% of the global market. (Is there a way to develop an exclusive relationship with these producers or do we only enter the market through our customers? Are we a market "enabler" for these companies in that we create markets for their products by altering their output so that customers can incorporate the converted films in accost effective manner?)

Products, Markets, Customers, Competition.

CCC's business consists of three types of sales

1. Sliting A grade polyester film
2. Slitting B grade polyester film
3. Merchant - brokering sales of various plastic films and laminates that are not processed at the CCC facility

Suppliers

The Company imports polyester film from (name) and metalized polyester from Canada (should we name the supplier) where there is no tariff, and B grade from domestic metalizers – Vacumet, and VDI(is the legal name?)

Nylon, Polypropylene, Polyethylene, Vinyl –

There are many films that may be slit narrow – these are markets that we have made some small orders for, but have not pursued due to capacity issues.

Customers: Add the industry or the product usage for each of these – KILL Eastern Film since you said that was a one-time thing and now the EFS customers are direct customers of CCC

Customers	% Sales
Minova USA Georgetown, Kentucky	57%
Eastern Film Solutions Greenville, SC	10%
Light Source Gambier, Ohio	8%
American Traders International Livingston, NJ	4.5%
Flexible Technologies Abbeville, SC	3.5%
Flexease Houston, TX	2%
Flagship Danbury, CT	2%

Competition:

Interfilm - Powdersville, SC; Interfilm is the largest converter in the US – specializing mainly in A and B grade product purchased from Mitsubishi film; Interfilm is a primary provider for Dupont. Interfilm works primarily with A grade film and has a national contract on styrene film for the "envelope window" film (Is this with an envelope company?) . Styrene is very difficult and technical to run. Styrene requires a clean room environment and machines that cost fiver hundred thousand to one million dollars. Interfilm has three plants across the county – SC, Colorado, and CA. (Can you add cities?) Gross sales estimated $70 million What is the source of this estimate? Do we have a way of knowing how to remove the Styrene component from here to see the revenue they make that competes with us?

Pilcher & Hamilton –LOCATION?: Pilcher & Hamilton ("P&H") is one of the oldest converter / distributors in the country Pilcher works primarily with Mitsubishi film; the majority of P&H's conversion sales come from Mitsubishi. What does this mean? How does this compare to how our conversion sales are created. Pilcher's owner is over 70 years old with no clear exit strategy and no children that are interested in the business (Does this person have a name that is known?) . Pilchers annual sales are estimated to be $24 million with one location in Greenville, SC. With this level of sales .. their exit strategy will be a sale of the business ... Question is ... Do we want to buy it or do we want someone else to buy it? We should really talk about this since buying this business would likely get us all the same equipment that Blake's company is selling us ....

Film Quest LOCATION?: Film Quest was started by an Interfilm employee that was left out when Interfilm was bought out/ Film Quest has two plants – one in Greenville, and the other in Chicago. Film Quest specializes mainly in converting products. Film quest owns a laminator, and a metalizer. We do not have an estimate on the size of film quest, but we suspect that they are smaller than Pilcher and Hamilton.

Others – There are a number of other small slitting operations with a hand full of slitters Other slitters typically run tolling type services to their customers to slit their film.

* What differentiates CCC from other converters is the ability and desire to work with B grade films. Taking the extra time involved in running these films proves to drive raw material prices down and margins up.

Marketing Plan –

Flexible Duct

With increased capacity – we can expand our market share of the flexible duct market by increasing orders with existing flex duct accounts Many of these accounts purchase containers from over seas to obtain best price. With CCC's current supply stream and commitments to supply from Torray and Mitsubishi – CCC can beat off shore prices while allowing the buyers the option to shorten lead times and reduce inventories

Mining Packaging –

CCC has secured purchase of a "B Grade" two mil film (200 guage) that is used primarily in the mining industry CCC currently does business with the largest manufacturer. With increased capacity we could handle the other two manufacturers. Contact has been made with both manufacturers, and both are moving towards film qualification. – Explain how this sales channel works. Does the manufacturer hire us to convert the product for their customers in the mining industry?

Laminates and specialty films –

There are numerous customers that are looking for smaller order quantities on specialized goods. CCC brokers many of these deals, and makes an appreciable mark up for this service. Customers typically are unable to put these things together on their own

Development:

CCC is currently working on a number of new development projects – in order by priority.

1. 12 mil polyester film to replace steel heddlel in looms. What is this? If this is our first priority, we should add more data including projected volumes, target customers, and we should explain if this new equipment is going to help us target this marke. Product is currently being supplied out of Germany at a very high price. Sourcing and then slitting the product here will require three different operations and be converted on our equipment. Estimates for the return on this material are over $1.00 a pound We should discuss how this return compares to the returns from our existing sales streams?

2. Radiant Barrier – Currently established a relationship with a manufacturer in China. Initial response has been positive in home improvement and metal building insulation markets.

Do we have any estimates what this could be like in terms of volumes, etc.?

3. Glass fabrics – Many film buyers purchase glass film and request quotations. One of our sales representative knows the glass scrim market very well. Will import product from China and distribute across the country to big box stores – including Lowes and Home Depot. If this is something that I could buy at Lowes, we should be able to describe this more in retail customer terms – right now I don't know what we would do – who would box it, label it, what would it be used for?

4. Window covering films – importing and distributing products from Brazil and China.

Manufacturing Facility:

The manufacturing facility is in Anderson, SC Anderson is approximately 120 miles from Charlotte, NC and 120 miles north of Atlanta, Ga. The facility is 25,000 square feet in two buildings and is leased from one of the owners of the company. All electrical in the building has recently (as of 5/1/09) been upgraded for safety and additional service to handle expansion.

Sales History (By Product):

	2007	2008	2009 (thru 4/30)
Toll Manufacturing	$8533	$260,998	$0
Film Sales (Pass Through)	$0	$314,919	$13,941
Slit Film	$14,514	$1,097,735	$875,478
Totals	$23047	$1,673.652	$889,419.73

Sales Outlook:
(Annual)

*** I removed our distributions from the fixed cost column ***

	Existing Business (EB)	Growth Very High Probability (GVHP)	Growth Very Good Probability (GVGP)	Future Business Must Have New Equipment (MHNE)
Gross Sales	$2,200,000	$3,263,000	$4,919,280	$9,901,080
Film Cost + Scrap and Freight	$1,525,000	$2,208,000	$3,237,936	$6,884,652
Fixed Cost	$215,440	$355476	$384,000	$539,716
Variable Cost	$48,000	$48,000	$52,000	$120,000
Net	$283,000	$651,524	$1,245,344	$2,356,712
Profit Margin	13%	20%	25%	24%

Do we have detail of where these Revenues would come from. Do you have customers with specific revenue figures in a schedule? Do you have the volumes that are associated with the revenues. Does the additional revenue come from higher volumes, higher prices or a combination of those two? I need to see that detail. I'd like to see the first 24 months of forecast on a month-by-month basis so we can gauge slippage in the sales as we ramp up.

EXHIBIT C
TO AFFIDAVIT OF JOHN GANDIS

John Gandis

From: Dave Wilson [dave@ccc-films.com]
Sent: Monday, October 17, 2011 4:50 PM
To: John Gandis
Cc: Andrea Comeau-Shirley

I have spoken with my accountant regarding Andreas proposal and he believes it is flawed. Surrendering my stock would be a capital loss and not an ordinary loss against the taxes owed so I'm not sure this would help much. I am happy to have Ray talk with Andrea about this.

Frankly, I'm surprised that Andrea would even propose a buyout of my shares for $123,000. My capital account was worth $592000 at the end of 2010 and assuming we have made some profit this year, it's worth even more today. I think the value of my capital account is much more relevant than the loan amount when trying to determine the fair value of my interest in the company.

Here are several other options you need to consider.

1. CCC starts making regular accruals and distributions to its members to cover tax liabilities incurred by their ownership in CCC. I can set up an installment plan with the IRS which would spread the tax payments out over a number of years. I would also insist that we accrue for 2011 taxes so that quarterly distributions can be made to cover a percentage of the projected liability for 2011.
2. Dave resigns from CCC and maintains his 45% ownership. Dave is then free to do whatever he wants to including working for or operating a film company outside of CCC. By law, Dave has no duty to the LLC as a non-managing member but maintains all rights and privileges of a member.
3. Dave resigns and disassociates from the LLC. The LLC then has 30 days to set forth a purchase plan for my shares at fair market value. If the other members are unable to or unwilling to buy my shares, by law, the company is to close, assets liquidated, and funds dispersed to its members net of liabilities.

I don't know too many business owners who would continue to participate in a business that does not budget for and disperse funds to cover tax liabilities incurred by ownership of the business. I realize that each of us is in a different financial position but making decisions based on the needs of two partners without considering the needs of the third puts us in a quandary.

Running the business as we have been with no thought for tax liabilities is not an option. If dispersing funds for taxes means we grow at a slower rate, then so be it. We're kidding ourselves if we think we are successful because of a P&L that does not take into account the tax liabilities of its members.

Andrea's comments about handing over purchasing to someone else in the company demonstrates how out of touch she is with our company. Bill issues PO's and is capable of doing this Bill nor anyone else is qualified to select vendors, new products, etc. We are not in a position to hire someone to do purchasing even if we found someone who was qualified

Dave

EXHIBIT D
TO AFFIDAVIT OF JOHN GANDIS

Jones, Brigid M.

From: John Gandis <john@ccc-films.com>
Sent: Monday, October 31, 2011 5:07 PM
To: 'Dave Wilson'
Attachments: Dave Letter 10-31-11 pdf

Dave,

Did not have the cash in our checking account to write you a check today. We should be in better shape following the mail run on Wednesday. We'll write the check then. I will not hold up your next advance while awaiting your decision on the direction that makes the most sense for you as we are in agreement that these are loans...

In regards to your cash flow analysis...

Couple of observations:

You have only 12k a month in there for payroll – our employee's cost us over $50k a month.

You do not have anything in there for machine cost or freight – and an estimated $20k per week in operating cost . We average more like $120k per month in operating cost... and this is before we buy film. I haven't really concentrated on a plan until I knew definitively which way you wanted to go. I still need to do some catch up in distributions for Andrea and I as well – so... one thing at a time.

Have a safe trip.

John C. Gandis
Cell: 864-553-9338
Fax: 864-225-4317

Plant Address:
1017 River Heights Circle
Anderson, SC 29621



October 31, 2011

Dear Dave,

I am writing you to inform you about the projected cash situation for the company and to finalize your decision as to your preferred business structure with Carolina Custom Converting, LLC. I am leaving this decision in your hands and, just as we discussed, I am trying to ensure that we continue to work together in way that is best structured for everyone.

As you know, for the period through 2010, the company has generated taxable income that exceeds its cash flow. This is a result of the large debt we have incurred to purchase assets as well as our ongoing investment in film. Based upon our discussions in our biweekly sales meetings, I don't see this situation changing for the next year or possibly longer. During this past year Andrea and I agreed to not receive any funds from the company - as we felt that CCC was not in a financial position to afford distributions to all members and the company began to loan funds to you.

As you know, we are working on preparing a note for you to sign related to the various advances that CCC has made to you. Absent a note to change those terms, those funds are legally regarded as advances and the company can make demand for repayment at any time (and you are personally liability for that debt). We are willing to remove the personal liability if you are willing to provide that the sole collateral for your loan is your entire membership interest. That means that if CCC requested repayment, you would have the option of repaying your loan with cash OR turning over the entirety of your membership interest as satisfaction of the obligation.

As we continue to grow this company my business goal is to pay in order of priority – our employees, our film suppliers, all other vendors, and finally the owners. This decision is not being made without careful consideration of the future of Carolina Custom Converting, LLC.

Recently we have had to pay several of our vendors late in order to set aside funds to loan to you. It is not in the best interest of our company to pay our vendors late, particularly when we have the funds available to pay them. The current payment of $12,000 a month is too great a burden to pay monthly while assuring that our legal obligations be paid in the order as they are outlined above. However it is not my desire to create an undue burden for you and your family either.

I have three options for you to consider. First, we can leave the ownership structure unaltered. Second, the company can buy-out your interest in the LLC under a note. Finally, we could formally modify the limited partnership agreement to reflect that your

total economic interest through December 31st of this year has been capped at the cash you have received (or been advanced). The second and the third options would eliminate your current obligation to CCC. Which of these three options is best for your family is your choice.

As we have been friends for a long time and I want to avoid any confusion about the cash consequences of each alternative, here is how I see the impact of each of these decisions on your cash flow.

Option 1: Continue as Member/Partner

If you continue as a partner with me in CCC, we will have to adjust the cash flows so that you and I are in line. As you know, I have personally funded the distributions you received through 2010. I borrowed against my family's home so as to put the cash into the company that funded your distributions. I stopped funding the distributions during this past year. As a partner if CCC generates taxable income that higher than its net cash flow, then you will need to be able to finance that tax obligation personally. Last year, I was forced to take out a loan on my home equity in order to pay takes on the CCC income and to pay my 2011 estimated tax obligations.

As you know this cash shortage is primarily a result of the amount of film we have carried on our books. CCC needs to continually invest its profits into film purchases, including overseas purchases, in order to meet customer demand. As I look at our company's outlook, I believe this situation is likely to remain the same for the next year or so. Even if we are able to open the line of credit as we have discussed, the line will be used first for film purchases. The bank has asked for a personal guarantee on this line; from a personal risk perspective, the guarantee is almost the same as if I had personally funded the company again. I cannot let the line be used to fund prior year tax distributions, either directly or indirectly.

As a partner you will also have to make personal arrangements to satisfy your taxes when the company has invested its profits in film and equipment. Our duties will be first to our obligations to our employees and then to our vendors. Our company will continue to generate positive cash flow for owners; however this cash may not cover the entire tax obligation as well as living expenses. If you decided to remain as my partner, you must be willing to live by these cash flow priorities for the good of our company. This also means that in months were the company cannot pay all its vendors on time, you will not be able to receive an advance on the 1st and you may even be requested to repay part of your existing loan balance to help pay a film vendor in a timely manner. You will need a personal safety net for your household obligations and cannot presume that the company will make an advance on the 1st of each month.

Option 2 – Buy Out

You have mentioned to me several times the concept of determining your capital account balance with the presumption that you must be bought out. If you want the company to

buy your capital account, please be aware that the amount on your Schedule K-1 does not reflect the value of your interest. If you decide you want to be bought out, the company will determine the value of its assets immediately following the inventory next month and your purchase price would be based upon net asset value. Most importantly, as the company does not have the cash for the buyout, the value will payable to you by a 9 year term note bearing simple interest at the applicable federal rate.

A buyout does not eliminate your tax bill for 2010 or 2011 and might result in a capital loss to you. A buyout will not generate a current cash outflow to satisfy the 2010 or 2011 tax bill.

As part of the buy-out, the company would agree to net current advances to you against the buy-out note. While this netting does not produce any immediate cash for you, it does remove the risk that the company could demand repayment from you prior to the maturity date of your buy-out note.

After the buy-out, you would become an employee of CCC entitled to the same benefits as our other employees that started in 2008. Your time as a member would be applied towards your vacation and other personal benefits. We would also discuss a bonus plan that would allow you to continue to have some upside participation if the company returns to the boom levels of last year.

Option 3 – Membership Modification

As we have discussed with you and your CPA, Ray Harris, so long as you provide us written authorization prior to November 21st, we will modify the membership agreement to provide for the following:

- Retirement of your membership interest
- An agreement that your total economic interest for the period of your membership is capped at the cash you have received (or borrowed)
- An income/loss allocation provision to reflect the new cap on your total economic interest in the company
- An agreement to work with your tax advisor to structure the modification so as to minimize the potential capital loss recognized and to maximize the elimination of prior year "phantom" taxable income.

As discussed Mr. Harris, we cannot tell you will absolute certainty how these numbers will work out prior to the year end close, but we anticipate that the modification would produce a loss allocation from CCC during 2011 to reduce your tax capital account.

We believe this option will reduce, and perhaps eliminate, the unpaid 2010 tax liability although it will require that you file a net operating loss carryback claim for 2011.

Just as under option two above, after the modification, you would no longer be a member in CCC but you would become a salaried officer. If you elect either option two or option

three, we hope to provide to you an employment contract prior to year end to be effective January 1, 2012

Dave, I am looking forward to continuing our work together and am prepared to move forward as you decide. As many of these steps need to be documented and executed prior to January 1st, I will need your decision no later than November 21st so we can get all the documentation completed before the holidays are here. The attached documentation should be signed by you to indicate your preference.

Respectfully,

John Gandis

Carolina Custom Converting, LLC
PO Box 2726
Anderson, SC 29622

RE: Membership interest in Carolina Custom Converting, LLC

Dear John:

Pursuant to your letter of October 31, 2001, I desire to continue our business relationship under the following structure:

_____ Option 1: Remain as partner in Carolina Custom Converting under an arrangement when the company will make distributions to me ONLY when it (a) all payments to vendors are capable of being made in a timely manner and (b) distributions are being made in a pro-rata basis to all members.

_____ Option 2: I desire to retire as a member in Carolina Custom Converting LLC and become a salaried employee effective January 1, 2012 pursuant to a buy-out note. I understand that before the note value can be determined, the company will need to complete the current inventory computations. The terms of the buy-out note will be a 9-year balloon note with interest at the applicable federal rate. The payments will be interest only with the balloon due December 31, 2020. I understand that under this option I will remain currently liable for the tax liabilities that result from the 2010 and 2011 Schedule K-1 allocations to the extent that they exceed prior distributions and advances as of year-end.

_____ Option3: I desire to retire as a member in Carolina Custom Converting LLC and become a salaried employee effective January 1, 2012 pursuant to a membership agreement modification. Under this options, the members will agree to modify the membership agreement to clarify that for purposes of (a) maintaining my capital account, (b) allocating 2011 results, and (c) liquidating my interest in Carolina Custom Converting as of December 31, 2011, my total economic interest in the Carolina Custom Converting, LLC should be capped at an amount equal to the funds I have been previously distributed plus the amount of the amount due from me to the company. I understand that the company is not providing tax advice and that I should consult with my own tax advisor related to the potential loss allocation for 2011 and the extent to which a loss may reduce the tax obligation resulting prior income allocations.

I have initialed the option that I desire.

_____ _____
David B. Wilson, member Date

EXHIBIT E
TO AFFIDAVIT OF JOHN GANDIS

Employee Handbook

2007

App. 2060

Table of Contents

Introduction

Welcome to Carolina Custom Converting LLC, (CCC), a Company that relies on the skills, innovation, hard work and dedication of all its personnel.

A guiding principle in the success of CCC is the belief that every person's job is important and that all of us working together as a team can do a better job than our competitors. Adherence to this principle enables CCC to provide maximum benefits and rewards for its employees.

The purpose of this handbook is to help you become familiar with your job, your responsibilities and CCC. It presents highlights of employee policies, practices and benefits, and briefly describes the employee facilities at this location. In drafting your employee handbook, we have not used specific gender pronouns for our male and female employees. However, please know that in using the masculine pronoun, our intent is that this should be considered to refer to both male and female employees of our organization.

We produce quality products with quality personnel, safety, efficiently, and with pride.

Thank you for joining our team.

PRESIDENT/CEO

Disclaimer and Acknowledgement

We have prepared this handbook as a guide to the policies, benefits, and general information that should assist you during your employment. However, neither this handbook nor any other company communication or practice constitutes an employment contract. The company reserves the right to make changes in content or application of its policies as it deems appropriate, and these changes may be implemented even if they have not been communicated, reprinted, or substituted in this handbook. It is also understood that nothing in this handbook or any other policy or communication changes the fact that employment is at will for an indefinite period unless terminated at any time by you or the company.

Employment with Caroline Custom Converting LLC is "at will," which means you are free to end your employment with the Company at any time you choose and that the Company has the same right. I understand that no employee, supervisor or other representative of the company, other than the president, has the authority to enter into an employment contract or to make any agreement contrary to the foregoing. The only valid contract for employment between the Company and any employee must be in writing and signed by the President/CEO and witnessed by the Financial Officer. I acknowledge receipt of the employee handbook and understand that my continued employment constitutes acceptance of any changes that may be made in content or application of the handbook.

Employee's Signature _____(date)_____

Supervisor's Signature _____(date)_____

EQUAL EMPLOYMENT OPORTUNITY

We believe in people. We need people. It is our objective to employ well-trained and capable people to operate and manage the company productively, safely, and profitably.

It is our intent to provide employees an avenue for utilizing their skills to the fullest and an opportunity for advancement to the highest available position earned through their skills and efforts and then to compensate them fairly in both their wages and protection for them and their families.

It is our pledge to respect the dignity of both employees and perspective employees and to carry out our relationships with them without discrimination because of race, color, religion, sex, age, national origin, citizenship status, physical or mental disability, or past, present, or future status in the uniformed services of the United States.

Harassment

Through reasonable management, Carolina Custom Converting will endeavor to prevent any form of job harassment from occurring in our workplace. Submission to unwelcomed sexual advances, request for sexual favors, and any other unbecoming verbal or physical conduct is not a condition of employment. Neither submission to nor rejection of such conduct will be used as a basis for employment decisions.

Likewise, any annoyances of a racial or ethnic nature will not be tolerated. Such conduct is not only socially unacceptable but also unreasonably interferes with work performance and creates an intimidating, hostile, and offensive working environment.

Should you ever experience any job harassment problem, please exercise the steps in our company complaint procedure. Or, at your option, you may directly contact any member of management in confidence, including the President. You may expect prompt and concerned reaction to your problem.

Orientation

The first ninety (90) days that you work for Carolina Custom Converting we consider as your introductory period. During this period, you will work closely with your supervisor to learn how to do your job, and you will learn about our policies, procedures, benefits and work rules. This period will also allow you the opportunity to find out whether or not you are going to like it here, and it gives us a chance to determine if your work and your general behavior indicate that you are likely to measure up to our standards for a good employee. Company benefits are generally not available to you during this period. After you complete the introductory period, you become a "regular" employee entitled to participate in the benefits offered by the company as you meet the required eligibility date.

Experience is the best teacher in our business. Your supervisor is an experienced employee who will give you full opportunity to learn the best ways of doing your work. Should you have difficulties or have a problem, please talk it over with your supervisor. He or she is always willing to help you.

Employee Referrals and Recruitment Bonuses

If you know someone who is interested in finding a good job, please refer him or her to our personnel office. For each applicant you refer who is hired for a full-time job with our company, you will receive a recruitment bonus of $25 award at the end of the new employee's first thirty work days and another $25 at the completion of the employee's first ninety work days of employment with our company.

Training

Employees will be granted time to attend appropriate training programs when related to their jobs. When training programs exist outside the premises and employees are sent at the request of the company, the cost of the training program and all direct travel

expenses (when outside the city) will be paid for by Carolina Custom Converting when approved in advance by management. Please consult your supervisor when pursuing training opportunities.

Wage and Salary

It is our policy to pay wages and salaries comparable to those paid for similar jobs in our surrounding area. We adjust our wage and salary ranges in accordance with the business and general economic conditions of our bank.

Your individual job classification and level of compensation are determined by the requirements of your job in such factors as responsibility, skill, and training.

Wage and Salary Differentials

An employee who reports to work and has not been notified by the company not to do so shall be given not less than four hours of work and pay for not less than four hours of pay at the regular straight-time pay rate, except where work is not available due to the power failure, machine breakdowns, or other conditions beyond the control of the company. Should employees refuse the work assignment or make themselves unavailable for work, they shall not receive reporting pay. Any time an employee is called into work outside his normal schedule, he will be given not less than two hours of work and or pay.

Any employee returning from vacation, leave of absence, suspension, or any other period of time away from scheduled work shall call their direct supervisor no later than 5 p.m. Friday prior to the next scheduled work week to be informed where and when to report to

work the following week. The company shall not be liable for reporting pay should the employee fail to call the plant.

Overtime Pay

Our company makes a concentrated effort to schedule and finish work within a normal work period. However, on occasion, due to an unusual demand, and unexpected equipment breakdown, material flow, or a temporary lack of capacity, it is necessary to schedule work past the regular ten hour (10)-hour day. Should that need arise, the expectation is that every employee will cooperate and cheerfully work the overtime assigned.

The company will distribute overtime work as fairly as possible among employees in a classification where the overtime is required. To be offered overtime work, you must have sufficient skill, ability, and experience to perform the required job. Whenever possible, advance notice will be given when overtime is expected. As a condition of employment, you are expected to work overtime when asked by your supervisor.

Nonexempt employees will be paid time and one-half their regular hourly rate for all work performed over forty (40) hours in any one workweek. Holiday pay, vacation, personal days are not considered time worked when computing overtime pay for the week.

Payroll Deductions

The law requires that the company deduct from your paycheck your federal income tax, state income tax and Social Security tax. The amount of your check is your wages less such tax deductions and any other sums the company is authorized to deduct, such as premiums for

life insurance, medical insurance, savings plan, garnishments, etc. These deductions are remitted to the proper agencies by the company. You should retain your check stub as a record of your earning and deductions.

The Internal Revenue Service prohibits you from claiming more allowances than you are entitled to claim. Carolina Custom Converting may be required to notify the District Director of the Internal Revenue Service or the State of South Carolina should we have reason to believe that the number of withholding exemptions on the Employee Withholding Allowance Certification (Form W04) is excessive (or more than you are entitled to claim. For example, if you are normally entitled to claim four (4) exemptions and you complete a W-4 form increasing the number to ten (10), we may be obligated to notify the IRS or SC. You should always use caution when completing your W-4 form as the IRS considers the filing of a falsified W-4 form a violation of federal tax law.

Bonus Plans

We like to be able to share our success with our employees. In years past, we have been able to provide Christmas bonuses to our employees, and, while this bonus is not guaranteed, we hope that we will be able to continue to reward your dedication and efforts in the future.

All non-exempt employees can earn extra cash for perfect attendance for each full calendar quarter. The purpose of the attendance bonus plan is to encourage you to come to work every scheduled workday, because your regular attendance is necessary for the best operation of our company and our customers' satisfaction.

If you have perfect attendance for a full calendar quarter, you will be paid $240 in cash at the end of the quarter. This can mean an additional $20 a week, $80 a month, and $960 a year in your pocket. All you have to do is come to work every scheduled workday and stay for your entire shift.

Attendance and Absenteeism

We are counting on each employee to be at his work station five minutes before the start of his shift in order to exchange pertinent information and to remain there until released by his supervisor or replaced by the next shift. No one while on company time is to leave the building without the permission of his supervisor. Any employee leaving the plant during working hours must log/clock in and out.

In the event of illness or family emergency, notify your supervisor or plant manager immediately at least one hour before start of shift – indicating extent of the anticipated absence so that your work may be assigned to others. During prolonged absence, contact your supervisor at least once a week.

Failure to call in will result in a written warning to the employee. After two such written warnings without adequate explanation an employee is subject to immediate termination.

If you find that you cannot return to work as scheduled following an absence, you must notify your supervisor at that time. All employees are important to the smooth running of Customer Carolina Converting, and we encourage you to return with proper notification any day of the week.

If you are absent for two consecutive scheduled work days without notifying your supervisor, we assume that you have voluntarily quit your job.

Repeated tardiness, absence without good reason, or washing up or changing your clothes early will indicate that you do not value your position with Carolina Custom Converting. These behaviors cannot be tolerated and will be cause for disciplinary action up to and including discharge.

No Fault Attendance Policy

Attendance policy

All employees are expected to be at work, on time, every scheduled work day.

The company's reputation is built on this basic principle: We deliver superior quality products and services to our valued customers, on time. To continue to maintain these standards, the regular attendance of ALL employees is extremely important. When an employee is absent or tardy, his or her supervisor must make reassignments among the employees who came to work. This could require placing employees on jobs that they are not fully familiar with, creating a decrease in quality or an unsatisfied customer that day. Because this is unfair to our customer, the company, and your fellow employees, this attendance policy has been developed.

Types of Absence

a. Authorized absences are classified as any situations such as a death in your immediate family, Uniformed Service obligations,

jury duty obligations, family, or medical leaves of absence, disability accommodation leaves of absence, and any other leave of absence approved by the company. All other absences are classified as unauthorized. "Authorized" means not counted against an employee's attendance record, and "unauthorized" means the absence will be counted against an employee's attendance record. If the employee is eligible, authorized absences are covered by the personal-time off remaining in that employee's bank.

b. The company does recognize that occasionally an employee may need to be absent because of sickness or a compelling personal matter not included among authorized absences. You must call a supervisor within one hour of your starting so that your supervisor can make arrangements for your replacement.

c. Signing up for overtime and not reporting constitutes an unauthorized absence.

d. Although unauthorized absences may be unavoidable, excessive unauthorized absences cannot be tolerated because of the operationalimpact already explained. Such absences are therefore subject to disciplinary action

Disciplinary action for unauthorized absence in one "rolling" year is as follows:

First Step	3rd-6th absence	Verbal commentary
Second step	7th-9th absence	Written warning
Third step	10th – 11th absence	Salaried-written warning Hourly 1-or 2 day suspension without pay

Fourth step	12th absence	Employee termination

This step procedure for discipline will be maintained on a rolling twelve-month basis. That is, absences are counted only for the prior twelve-month period. All absences occurring before that period are dropped; this may result in a reduction of an employee's step level.

An employee who is absent for one day without notifying his or her immediate supervisor will automatically advance one level.

An absence of two consecutive scheduled work days without notice will be considered a voluntary resignation.

Tardiness Policy

Promptness is expected so that production can start in a harmonious manner. The company understands that tardiness is sometime unavoidable because of severe weather conditions and other emergencies. At the discretion of management, we will grant these cases as excused. You should notify your supervisor in advance if at all possible, if you are going to be late.

If an emergency, personal business, or pressing personal circumstances that cannot be attended to outside of working hours requires you to leave your job at any time other than lunch, you may request permission form your supervisor. He or she will consider the urgency of your request at the time when you can be spared.

If you are required to punch a time card, punching out before quitting time is classified as an instance of tardiness, unless you are

excused by your supervisor. You should always punch out when leaving work for personal emergencies and punch in when you return. Leaving company premises at any time without clocking out is prohibited.

Personal Leave of Absence

An unpaid leave of absence of less than thirty days may be granted by your supervisor. A written leave of absence is required for all absences exceeding five working days and may be requested after completion of ninety days continuous service. The request for a personal leave of absence must be submitted in writing to your supervisor at least five working days prior to the day the leave is to begin, except in a case of emergency.

If a leave of absence exceeds thirty days, it must be approved by the manager of your area and the President. A personal leave of absence may not exceed sixty days and is not subject to extension. Approval for a leave is based on the reason for the absence, the length of your employment, your performance record, your attendance and punctuality record, and the work schedule in your area.

The company cannot guarantee to hold a particular job open during any personal leave of absence longer than thirty days. Those returning from longer leaves will be entitled to the first available opening for which they are qualified if their former position has been filled during the leave.

A leave of absence should not be taken lightly, since it may work hardship on the company and your fellow workers who will have to fill in for you.

Your employment is subject to termination if you leave without prior approval or if you fail to return to work on the expiration of the leave of absence. In an emergency situation, you should contact your supervisor as soon as possible to make the necessary arrangements for an extension of leave.

Paid Vacations

If you are like most of us, you look forward to a time of rest and relaxation each year. Vacation with pay is one of the ways we show our appreciation to you for your length of service and good work. Management encourages all employees to take their accrued vacation time.

Employees receive vacation time based on their employee status, the number of hours they work in a week, and the years of service. At Carolina Custom Converting vacation time is accrued, and taken on a calendar year basis. Calendar year is defined as the year beginning each January 1 and ending the following December 31. Vacation eligibility is determined as of July 1st each year. All regular employees who work over 25 hours per week earn vacation pay after six months of employment.

	Full-time	**Part-Time**
Amount of service Prior to July 1	Vacation days	Vacation days
Less than 6 months	0	0
6 months but less than 1 year	5	3
1 year	5	3
5 years but less than 15 years	10 + extra	8
15 years	20	16

After you have been employed at our company for five years, full-time employees will receive an additional day of vacation for each year of employment that is in excess of five (to be added to the two weeks

of vacation). The maximum number of additional days you will receive in this manner is ten (10) for a total of twenty days (20) vacation per year after you have been employed 15 years.

No less than one-half day of time off may be designated as vacation time. Any employee who is dismissed for misconduct will not receive any accumulated vacation benefits. Employees who leave the company voluntarily (resign) and give two-weeks notice will be paid for accumulated vacation time due them. Employees who leave without giving two weeks notice will not be paid for accumulated vacation.

Our customers employ all of us. Therefore we must be guided by, customer demands when we schedule vacations. Vacations must be scheduled in such a way that we can maintain sufficient man power to serve our customers' needs.

You should make certain to schedule your vacation with your supervisor at least one week in advance of your requested vacation date. In the event of conflicting vacation request within a department, the e Normally employees should schedule their vacation time between July 1 and December 31st of each year. With prior approval of the direct supervisor and department head concerned, however, an employee may elect to schedule all or part of his vacation prior to July 1, even though, in effect, the vacation is not earned until July 1. mployee with the greater seniority will get first choice.

Production employees will have a portion of their vacation during the last week of the year when the plant shuts down.

Paid Holidays & Personal Time off ("PTO")

At Customer Carolina Converting, we observe 7 holiday that will be considered paid holidays as follows:

New Year's Day	Thanksgiving Day
Memorial Day	Day After Thanksgiving
Independence Day	Christmas Day
Labor Day	

If one of these holidays falls on a nonworking day, an alternative day will be granted at management's discretion.

To be eligible for holiday pay, employees must have been continuously employed at least ninety calendar days before the holiday, and hourly employees must have worked in full their last schedule work day before and the first schedule work day after the holiday, unless their absence on either of such days has been excused by their direct supervisor.

In addition to paid holidays, Carolina Custom Converting grants Personal time off ("PTO"). All full-time, benefits eligible staff accrue personal time off ratably throughout the year. Personal days may be used for religious observances, doctor's visits, funeral or personal business. No unused accrued personal time will be paid at the time of termination. Once notice of termination is given, the use of personal days is not allowed. The use of personal time requires the employee to submit a Personal-Time-Off request form in the prior week and any requested substantiation upon return (e.g. doctor's note). Failure to adhere to these procedures will result in the absence being charged to vacation.

These holidays will be scheduled as follows for 2012:

Holiday	Date	Day	Salaried	1st Shift	2nd Shift	Full Time Weekend
Good Friday	4/4	Friday	-	-	-	10
Easter	4/6	Sunday	-	-	-	10
Memorial Day	5/28	Monday	8	10	10	10
Independence Day	7/4	Wednesday	8	10	10	-
Labor Day	9/3	Monday	8	10	10	10
Thanksgiving	11/22	Thursday	8	10	10	-

Thanksgiving	11/23	Friday	8	-	-	10
Christmas Holiday	12/24	Monday	8	10	10	10
Christmas Holiday	12/25	Tuesday	8	10	10	
Personal Days	Any	Any	24	20	20	20
TOTAL			80	80	80	80

Group Health Insurance

Customer Carolina Converting is pleased to provide regular employees with group insurance. The company pays a significant portion of your group insurance coverage, with your portion being deducted from your paycheck on your written authorization.

Special brochures outlining the insurance plans will be made available to you. Your supervisor will discuss our group insurance program with you during your orientation program and will be available to assist you with enrollment material and determine your costs for your selected coverage.

You will be eligible to participate in the group insurance plans following a full calendar month of continuous employment or your initial ninety day probationary period.

Options for continued health insurance coverage under the COBRA Act are available for up to eighteen month in the event of your resignation, reduction of hours, layoff, or termination (except where termination results from gross misconduct) and for up to thirty-six moths for your spouse and or dependent children in the even of your death, divorce, or separation. If coverage is provided under Medicare or a covered child ceases to be a dependent as defined by in the plan, coverage under the pan ends. Should you or any covered dependent be disabled at the time of your termination (or reduction in hours), coverage would be extended to twenty-nine months rather eighteen months. Also, if you or any covered dependent has a preexisting condition that would not be covered by a future plan, continuation coverage will still be available for the eighteen – or thirty-six-month

period as explained earlier, even though coverage under the new plan already exists. The cost of coverage would be the responsibility of the employee/spouse or dependent child. You will be notified of your rights for continued health coverage in the event you leave the company. You must notify us if an event occurs which would enable your spouse and or dependent children to exercise their COBRA rights.

Employee Loans and Advances

We are not in a position to grant cash advances; however, we understand that emergencies do arise. In an emergency situation, an advance equal to 50% of your last paycheck will be available and will be repaid on your next paycheck. No more than one loan/advance in a ninety day period will be permitted. You will be required to sign for any company loans. For your benefit, we have established a relationship with a local bank (South Carolina Bank & Trust) for your greater needs.

E-Mail

Carolina Custom Converting utilizes electronic mail in order to conduct business in a quick and efficient manner. Also, as a benefit, Carolina Custom Converting allows employees to send limited personal Email messages to friends and family. Every employee with access to electronic mail at Carolina Custom Converting is responsible for seeing the E-mail system in used properly and in accordance with the following policy. Questions concerning this policy should be directed to the Human Resources.

1. The Email system is part of the business equipment and technology platform and is to only be used for Company purposes. Personal business is to be limited to lunch or before or after work and must be in compliance with the rest of this policy.

2. Information and messages that are sent or received via E-mail are to be disclosed only to authorized individuals.

3. There is no personal privacy in any matter created, received, or sent from the E-mail system. Carolina Custom Converting, in its discretion, reserves the right to monitor and to access any matter created, received, or sent from the E-mail system.

4. Messages sent during working hours should be sent only with good business reason for doing so. Copies should be forwarded only for good business reasons.

5. Every employee with E-mail has a password to access the account. Every employee is responsible for messages that are sent from his or her accounts. Do not share your E-mail password with anyone. Your account can be accessed by the network administrator at any time for verification that information being created, received, or sent via the E-mail system is being created, received or sent for good business reason and check that personal E-mail is not being sent during work hours and that the information contained within personal messages does not compromise, libel, or slander, Carolina Custom Converting in any way.

6. All E-mail (personal and business) must follow the company policy banning solicitation and distribution. Chain letters, pyramid schemes, and other solicitations are taken very seriously by Carolina Custom Converting. Employees found to be in violation of this policy may be terminated immediately.

7. No E-mail (personal or business) that constitutes intimidating, hostile, or offensive, material on the basis of sex, race, color, religion, national origin; sexual orientation, or disability should be created, sent, or received. Carolina Custom Converting's policy against harassment applies fully to the E-mail system, and any violation of that policy is ground for discipline up to and including immediate dismissal.

8. Information that is considered sensitive, highly confidential, or proprietary is not to be sent over the E-mail system without first being encrypted. The E-mail system is not secure one-way communication tool, and information sent over it may be intercepted and read by

unauthorized individuals. Employees must take every precaution to protect proprietary and confidential information about our company and our customers.

9. Employees who become aware of misuses of the E-mail system should promptly contact Human Resources.

Visitors

Employees are expected to remain in their work area during working hours, and the visiting of other employees, except on company business, is discouraged. Visits to employees by persons outside the company for nonbusiness purposes during working hours, except when absolutely necessary is also discouraged.

Our visitors, no matter how much we like them, do disrupt business. Remind your friends and relatives that unless there is an emergency involved, they should not disturb you while you are working. Former employees, or those employees on leave of absence, are requested not to disrupt operations by disturbing employees while they are working.

Resignation Procedures

You will receive pay for the vacation time due to you when you leave the company if you are released through no fault of your own and have six months' service, or you give at least two weeks' notice and have six months' service. An employee who gives less than two weeks' notice forfeits all vacation money. All other benefits are terminated on the last day of employment.

On the last day of employment, you should report to the Personnel Department to return any company property you may have and to receive an explanation of your status as it relates to company benefits. Final pay arrangements will be discussed at that time.

Complaint Procedures

Your complaints or problems are of concern to us. It is our purpose to provide you an effective and acceptable means of bringing your problems and complaints concerning your well-being while at work to our attention. For your benefit, we have established a Complaint Procedure to be used by all employees.

It will always be our policy to let employees tell their side of the story and to give full consideration to their problem or complaint. There will be no discrimination against anyone for presenting a complaint or discussing a problem with supervisors or anyone in our management. If you follow these steps, you will not be criticized or penalized in any way.

Please remember that the only purpose of our complaint procedure is to give you, our fellow employees, and the company an opportunity to clear up any problems or complaints of any kind. *In order for this open door complaint policy to work, you must want it to work and use it. It's for your benefi*t. Our door is always open. When things go wrong, we would like to have the chance to fix them if we can.

Steps to Take:

STEP 1: If you have a complaint to make or if you feel that any action by the company or supervisor is unjust, talk to your supervisor about it. Your supervisor knows more about you and your job than any other member of management and is in the best position to handle your complaint properly and quickly. Be sure to talk with your supervisor within five workdays of when the incident occurred. Your supervisor will make every effort to satisfy your problem or complaint within three working days. If the problem or complaint you have is with your supervisor you may omit Step 1 and go to Step 2.

STEP 2: If you feel your supervisor has not answered your complaint to your satisfaction, you should refer your problem in writing

to your department manager within five days of receiving your supervisor's response. Your department manager will provide you with an answer within five working days of your presentation.

STEP 3: If you feel your department manager has not answered your complaint to your satisfaction, you will have an additional five days to request an appointment for a personal interview with the President, who will discuss the problem with you and review all aspect thoroughly. The President will respond within five days of the personal interview. Because the responsibility for the operation of the association is the President's, any decision rendered in a problem situation by the President will be final and binding.

Alcohol/Drug Policies

No persons in our employ shall work or report to work while under the influence of alcohol, illegal drugs, or drugs that would affect their ability to perform their job in a safe and efficient manner. No employees shall consume or have in their possession alcoholic beverages or illegal drugs on company premises. To do so would create a bad public image and possible safety hazard and is a prime cause for dismissal.

Carolina Custom Converting reserves the right to randomly select a percentage of all employees for a battery of illegal drug testing. Any drug/alcohol testing shall be performed at a medical facility/laboratory designated by the company. The company will not accept test results from any facility other than the one designated by the company. Test results indicating positive use of drugs or alcohol will result in disciplinary action up to and including discharge.

Health and Safety

It is the intention of our company to furnish all employees with a safe and healthy place to work. Yet no matter how safe working conditions may be, carelessness or horseplay on your part can make

you or your coworker a casualty. You should know and follow all commonsense and posted safety and fire regulations and utilize safety equipment properly to protect you and your fellow employees from inconvenience or serious injury. Use of safety glasses and safety shoes, where applicable, is mandatory.

Employees are responsible for following all safety rules for using safety equipment furnished by the company. It is your duty to report any unsafe conditions and defective working tools or equipment to your supervisor. Any and all accidents, no matter how small, should be immediately reported to your supervisor.

Failure to adhere to established safety practices will result in disciplinary action, up to and including dismissal.

Housekeeping and Cleanliness

By keeping our plant clean, we get better quality work and make everyone a little happier. Everyone has to do his or her part. We expect employees to spend any time they have available from production work polishing up their machines and the areas around them. In certain departments and on some machines, daily cleanup is required, and in others a weekly cleanup is sufficient. Ask your supervisor for help regarding a cleanup schedule.

Good housekeeping promotes good workmanship and safety. Keep your equipment in good order, and practice good housekeeping.

Business Ethics

The company's reputation and the trust and confidence of those with whom we deal are among our most vital corporate resources. Out company is committed to conduction its affairs in a uniformly ethical manner and pursuant to a standard of fundamental honesty and fair dealing. This standard requires adherence to all laws, regulations, and normal ethical practices that apply to the company's business activities.

Areas for potential conflict: Employees have a responsibility to work in the best interests of the company and to avoid situations and actions that may be or that create the appearance of being in conflict with the company's objectives and principles. While it is not possible to list every circumstance that may lead to a conflict of interest the following are examples of employee activities that must be avoided:

- Holding substantial financial interest in any enterprise with which the company has business dealings (e.g. competitors, suppliers, and customers). (Interest of less than $10,000 or that, regardless of value amount to less than 1 percent of an enterprise, are not considered to be substantial.)

- Accepting, directly or indirectly, from any vendor or supplier of services, any vacations, cash payment (other than reimbursement of reasonable out of pocket expenses), service, loan (except from banks or other financial institutions), or discount (except those offered to employees of the company) by an employee or any member of an employee's immediate family.

- Accepting gifts from any vendor or supplier of materials or services.

In addition to these prohibitions, there are borderline situations that give rise to possible conflicts of interest. The following serves as a guide to the types of activities that should be fully reported to the company:

- Acting as a director, officer, or employee of any business or other institution with which the company has a competitive or significant business relationship. The employee should report to his or her supervisor any situation in which member of the employee'[s immediate household hold positions that are likely to cause the employee to have a conflict between the interests of the company and another institution.