

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
CENVEO, INC., <i>et al.</i> , ¹)	Case No. 18-22178 (RDD)
)	
Debtors.)	(Jointly Administered)
)	

**ORDER APPROVING THE SETTLEMENT AGREEMENT BY AND
AMONG DEBTORS AND THE UNITED STATES OF AMERICA**

Upon the motion, dated July 19, 2018 (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, “Cenveo”) for entry of an order (this “Order”) approving the Settlement Agreement, annexed hereto as **Exhibit 1**, among Cenveo and the United States, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Bankruptcy Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(a)-(b) and 1334(b) and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012, as a core proceeding pursuant to 28 U.S.C. § 157(b) that this Court may decide by a final order consistent with Article III of the United States Constitution; and venue of the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and Cenveo’s notice of the Motion and opportunity for a hearing thereon being due and sufficient under the circumstances, and no other notice being required; and there being no opposition to the requested relief; and upon the record of the hearing held by the Court on the

¹ The last four digits of Cenveo, Inc.’s tax identification number are 0533. Due to the large number of debtor entities in these chapter 11 cases, which are being jointly administered for procedural purposes, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of Cenveo’s claims and noticing agent at <https://cases.primeclerk.com/cenveo>. The location of Cenveo’s service address for purposes of these chapter 11 cases is: 777 Westchester Avenue, Suite 111, White Plains, New York 10604.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

Motion on July 26, 2018 and all of the proceedings herein; and after due deliberation, the Court having determined that the Settlement Agreement is fair and reasonable, a proper exercise of Cenveo's business judgment and in the best interest of its estate after taking into account the legal risk and potential cost and delay of litigation; and the legal and factual bases set forth in the Motion establishing sufficient cause for the relief granted herein, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Settlement Agreement is approved. Pursuant to Bankruptcy Rule 9019, Cenveo is authorized to enter into and perform under the Settlement Agreement, and perform, execute, and deliver all documents, and take all actions, necessary to immediately continue and fully implement the Settlement Agreement in accordance with the terms, conditions, and agreements set forth or provided for therein.
3. Pursuant to the Settlement Agreement, the Census Contract is terminated.
4. The notice requirements under Bankruptcy Rule 6004(a) are hereby waived.
5. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective, for cause, and enforceable upon its entry.
6. Cenveo is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.
7. This Order shall bind Cenveo, its estates and any successors or assigns, including without limitation any trustee, liquidating trustee, or other estate representative.

8. The Bankruptcy Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: White Plains, New York
July 26, 2018

THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Stipulation and Settlement Agreement

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11
CENVEO, INC., <i>et al.</i> , ¹)	
)	Case No. 18-22178 (RDD)
)	
Debtors.)	(Jointly Administered)
)	

**STIPULATION AND SETTLEMENT AGREEMENT BY AND
AMONG DEBTORS AND THE UNITED STATES OF AMERICA**

This Stipulation and Settlement Agreement (the “Settlement Agreement”) is made pursuant to sections 105 and 363 of title 11 of the United States Code (the “Bankruptcy Code”) and rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), by and among Cenveo, Inc. and the other above-captioned debtors and debtors in possession (collectively, “Cenveo” or “Debtors”) and the United States of America, by the United States Department of Justice (the “DOJ”) and on behalf of the United States Government Publishing Office (the “GPO”) and United States Department of Commerce, United States Census Bureau (the “Census Bureau”) (collectively, and together with the DOJ and the GPO, the “United States”). Cenveo and the United States (each, a “Party” and collectively, the “Parties”) hereby stipulate and agree as follows:²

WHEREAS, on February 2, 2018 (the “Commencement Date”), Cenveo filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy

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² Capitalized terms used but not defined in this Settlement Agreement shall have the meanings set forth in the Motion, unless otherwise noted.

Court for the Southern District of New York (the “Bankruptcy Court”), and debtors are operating their businesses and managing their properties as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, in 2017, GPO initiated a competitive bidding process to select a firm for printing and mailing services necessary for conducting the 2020 decennial Census (the “2020 Census”);

WHEREAS, on October 16, 2017, GPO issued Purchase Order 70141, awarding Cenveo the contract for Program 0020-S (*i.e.*, the contract to provide mailing and printing services for the 2020 Census) (the “Census Contract”), and, in connection therewith, Cenveo agreed to be bound by the contract terms in its bid, the GPO guidelines, and all documents thereby incorporated by reference;³

WHEREAS, since the Commencement Date, Cenveo and the United States have engaged in discussions regarding Cenveo’s restructuring process, including Cenveo’s projected liquidity and any impact it would have with respect to the Census Contract. Notwithstanding these constructive discussions, the United States concluded that, because of the constitutional mandate to conduct the 2020 Census, it is in the public interest to terminate the Census Contract;

WHEREAS, following extensive good faith negotiations regarding the Census Contract, Cenveo and the United States have reached an agreement, as set forth in this Settlement Agreement that will result in the termination of the Census Contract;

³ Specifically, the Purchase Order is subject to the terms of the (i) GPO Contract Terms, Solicitation Provisions, Supplemental Specifications, and Contract Clauses, (ii) GPO Contract Terms, Quality Assurance through Attributes Program for Printing and Binding and (iii) General Terms, Conditions, and Specifications for the Procurement of the 2020 Census Printing and Mailing.

WHEREAS, contemporaneously with the execution of this Settlement Agreement, Cenveo shall file a motion (the "Motion") pursuant to Bankruptcy Rule 9019 seeking approval of the Settlement Agreement.

NOW, THEREFORE, it is hereby stipulated and agreed to by and among the Parties, and upon approval by the Bankruptcy Court, it shall be ordered as follows:

1. Termination of Census Contract. Immediately upon the Bankruptcy Court's entry of the *Order Approving the Settlement Agreement By and Among Debtors and the United States* (the "Order"), the Census Contract is hereby terminated by the United States.

2. Settlement Consideration. The Census Bureau shall pay \$5,500,000 in cash to Cenveo to resolve all disputes related to the termination of the Census Contract (the "Settlement Consideration"), subject to Paragraph 5 hereto.

3. Releases. Cenveo fully and finally releases the United States, its agencies, officers, employees, servants and agents from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Cenveo has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, employees, servants, or agents relating to the Census Contract and/or the termination of the Census Contract, except for claims arising under this Settlement Agreement (including those items specifically referenced in Paragraph 5). The United States fully and finally releases Cenveo, its officers, employees, servants, and agents, from any civil or administrative monetary claims that the United States has asserted, could have asserted, or may assert in the future against Cenveo, its officers, employees, servants, or agents, relating to the Census Contract and/or the termination of the Census Contract, except for claims arising under this Settlement Agreement (including those items specifically referenced in Paragraph 5 hereto).

4. Payment of Settlement Consideration. The Census Bureau shall pay the Settlement Consideration to Cenveo within three (3) business days after the Bankruptcy Court enters the Order.

5. Additional Consideration. For the avoidance of doubt, the Settlement Consideration does not include amounts (i) due and owing to Cenveo by the United States for properly invoiced work completed under an existing print order issued under the Census Contract prior to June 27, 2018 (the "Unpaid Balance") and (ii) that may become due and owing to Cenveo by the United States for additional work related to the Census Contract performed at the request of the United States on or after June 27, 2018 (the "Wind Down Consideration," and together with the Unpaid Balance, the "Additional Consideration"); *provided, however*, Cenveo shall certify all confidential information received in connection with the Census Contract, including, but not limited to, data protected by Title 13 of the U.S. Code, has been destroyed or sanitized and any costs associated with the destruction and sanitization of such information is the responsibility of Cenveo and shall not be included when calculating any Wind Down Consideration. The Parties agree to negotiate in good faith regarding the amount of Wind Down Consideration, if any, the United States shall pay to Cenveo, and both Parties reserve all their respective rights and defenses with respect thereto. Nothing in the Settlement Agreement is or shall be deemed to be a release of any rights or defenses of the Parties relating to the matters set forth in this paragraph.

6. Conditions Precedent. It shall be a condition precedent to the effectiveness of this Settlement Agreement that the Order shall have been duly entered by the Bankruptcy Court.

7. Notice. Any notice given pursuant to this Settlement Agreement shall be in writing and delivered by hand delivery or overnight courier addressed as follows:

if to Cenveo:

Cenveo, Inc.
200 First Stamford Place, Second Floor
Stamford, Connecticut 06902
Attn: Ayman Zameli

with a copy to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attn: Jonathan S. Henes, P.C. and George Klidonas
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

if to the United States:

United States Department of Justice
United States Attorney, Southern District of New York
86 Chambers Street, 3rd Floor
New York, NY 10007
Attn: Peter Aronoff, Assistant United States Attorney
Telephone: (212) 637-2697

with a copy to:

Office of the General Counsel
U.S. Department of Commerce
14th & Constitution Ave, NW, Room 5889
Washington, DC 20230
Attn: Russell W. Craig, Associate Chief, General Litigation Division
Telephone: (202) 482-1362

Office of the General Counsel
U.S. Government Publishing Office
732 North Capitol Street, NW, Mail Stop: GC
Washington, DC 20401
Attn: Craig D. Barrett, Assistant General Counsel
Telephone: (202) 512-0036

8. Governing Law. This Settlement Agreement, and any disputes related thereto, shall be governed by and be construed in accordance with the laws of the United States. To the

extent that federal law does not apply, the laws of the state of New York shall apply without regard to the rule of conflict of laws of the state of New York or any other jurisdiction that would require the application of the law of another jurisdiction. The Parties consent to submit to the exclusive jurisdiction of the Bankruptcy Court for any litigation arising out of or relating to this Settlement Agreement and agree not to commence any litigation relating to this Settlement Agreement except in the Bankruptcy Court, unless for any reason and notwithstanding the consent of the parties the Bankruptcy Court lacks jurisdiction over the Settlement Agreement; *provided, however,* that the Government may pursue a failure to properly destroy or sanitize confidential information, or for the misuse of Title 13 data provided under the Census Contract in any court of competent jurisdiction.

9. Authority. Subject to entry of the Order, the undersigned counsel and other signatories represent and warrant that they are fully authorized to execute this Settlement Agreement on behalf of the persons and the entities indicated below.

10. Successors and Assigns. The rights and obligations of each of the Parties under this Settlement Agreement shall be binding upon, and inure to the benefit of, any successor or assign of each such Party.

11. Complete Agreement. This Settlement Agreement constitutes the complete agreement of the Parties with respect to the subject matter hereof. This Settlement Agreement may not be amended, modified, or altered except by a separate agreement in writing signed by each of the Parties.

12. No Party Deemed Drafter. For purposes of construing this Settlement Agreement, this Settlement Agreement shall be deemed to have been drafted by all Parties to this Settlement

Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

13. Failure to Enforce. The failure of any Party to enforce a provision of this Settlement Agreement will not constitute a waiver of such Party's right to enforce that provision.

14. Counterparts. This Settlement Agreement may be executed in any number of counterparts, each of which constitutes an original and all of which constitute one and the same Settlement Agreement. E-mails that attach signatures in PDF form or facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Settlement Agreement.

15. Effective Date. The effective date of this Settlement Agreement is the date upon which the Order approving the Settlement Agreement is entered by the Court. If the Order is not approved and entered by the Court, the Settlement Agreement shall be null and void, with no force or effect.

Agreed to and Accepted this 19 of July, 2018:

Debtors

By: /s/ Ayman Zameli
AYMAN ZAMELI
Chief Restructuring Officer
of each of the Debtors

United States of America

GEOFFREY S. BERMAN
United States Attorney for the
Southern District of New York
Attorney for the United States of America

By: /s/ Jennifer Jude
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Dated: White Plains, New York
July 26, 2018

/s/Robert D. Drain
ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE