

Hearing Date: July 26, 2018, at 10:00 a.m. (prevailing Eastern Time)
Objection Deadline: July 23, 2018, at 4:00 p.m. (prevailing Eastern Time)

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Counsel to Cenveo, Inc., et al.

**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)
)	

**NOTICE OF HEARING OF MOTION OF
CENVEO, INC., ET AL., FOR ENTRY OF AN ORDER APPROVING THE
SETTLEMENT AGREEMENT BY AND AMONG DEBTORS AND THE UNITED
STATES**

PLEASE TAKE NOTICE that Cenveo, Inc. and the other above-captioned debtors and debtors in possession (collectively, “Cenveo”) hereby files the *Motion of Cenveo, Inc., et al., for Entry of an Order Approving the Stipulation and Settlement Agreement By and Among Debtors and the United States* (the “Motion”).

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.

PLEASE TAKE FURTHER NOTICE that the hearing (the “Hearing”) at which the Court will consider approval and entry of the Motion will be held before the Honorable Robert D. Drain of the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), in Room 248, Quarropas Street, White Plains, New York 10601, on **July 26, 2018, at 10:00 a.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that any responses or objections (each, an “Objection”) to the Motion and the relief requested shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, and the *Final Order Establishing Certain Notice, Case Management, And Administrative Procedures* [Docket No. 202] (the “Case Management Order”), shall set forth the basis for the Objection and the specific grounds therefore, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-399 by registered users of the Bankruptcy Court’s case filing system (the User’s Manual for the Electronic Case Filing System can be found at <http://www.nysb.uscourts.gov>, the official website for the Bankruptcy Court), with a hard copy delivered directly to chambers pursuant to Local Bankruptcy Rule 9070-1 and served so as to be actually received no later than **July 23, 2018, at 4:00 p.m. (prevailing Eastern Time)** (the “Objection Deadline”), upon the parties on the Service List (as defined in the Case Management Order) and counsel for the GPO (as defined in the Motion).

PLEASE TAKE FURTHER NOTICE that if no Objections are timely filed and served with respect to the Motion, Cenveo shall, on or after the Objection Deadline, submit to the Bankruptcy Court an order substantially in the form annexed as **Exhibit A** to the Motion, which order the Bankruptcy Court may enter without further notice or opportunity to be heard.

PLEASE TAKE FURTHER NOTICE that copies of the Motion and Case Management Order may be obtained free of charge by visiting the website of Prime Clerk LLC at

<http://cases.primeclerk.com/cenveo>. You may also obtain copies of any pleadings by visiting the Bankruptcy Court's website at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

Dated: July 19, 2018
New York, New York

/s/ Jonathan S. Henes, P.C.

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:)
) Chapter 11
)
CENVEO, INC., *et al.*,¹)
) Case No. 18-22178 (RDD)
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Debtors.) (Jointly Administered)
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**MOTION OF CENVEO, INC. *ET AL.*, FOR ENTRY
OF AN ORDER APPROVING THE SETTLEMENT
AGREEMENT BY AND AMONG DEBTORS AND THE UNITED STATES**

Cenveo, Inc. and the other above-captioned debtors and debtors in possession (collectively, “Cenveo” or the “Debtors”)² respectfully state the following in support of this motion (the “Motion”):³

Relief Requested

1. Cenveo seeks entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Order”), approving that certain stipulation and settlement agreement, which is annexed to the Order as **Exhibit 1** (the “Settlement Agreement”), by and among 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 Bureau of the Census (the “Census Bureau”) (collectively, and together with the DOJ and the GPO, the “United States”).

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the*

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Settlement Agreement. In the event of any inconsistency between this Motion and the Settlement Agreement, the Settlement Agreement shall control in all respects.

³ A detailed description of Cenveo and its business, and the facts and circumstances supporting this Motion and Cenveo’s chapter 11 cases (the “Chapter 11 Cases”), are set forth in greater detail in the *Declaration of Ayman Zameli, Chief Restructuring Officer and Executive Vice President at Cenveo, Inc., (I) in Support of Chapter 11 Petitions and First Day Pleadings, and (II) Pursuant to Local Bankruptcy Rule 1007-2* (the “First Day Declaration”), filed contemporaneously with Cenveo’s voluntary petitions for relief filed under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), on February 2, 2018 (the “Commencement Date”).

Southern District of New York, dated January 31, 2012. Cenveo confirms its consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to entry of a final order by the Bankruptcy Court in connection with this Motion to the extent that it is later determined that the Bankruptcy Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a), and 363 of the Bankruptcy Code and Bankruptcy Rules 4001 and 9019.

Background

5. Cenveo, together with its non-debtor affiliates, is one of the largest printing business enterprises in North America and a global leader in manufacturing and fulfillment of envelopes, labels, print, and related communication resources. Founded in 1919, Cenveo’s portfolio of products includes printed labels, envelopes, and print related products. Cenveo serves its customer base from its corporate headquarters in Stamford, Connecticut, its production facilities in approximately 20 states, and its content business in India. Cenveo generated gross revenue of approximately \$1.359 billion for the fiscal year ending December 30, 2017.

6. On the Commencement Date, Cenveo filed voluntary petitions for relief under the Bankruptcy Code. Cenveo is operating its business and managing its properties as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

7. On February 14, 2017, the Office of the United States Trustee for the Southern District of New York (the “U.S. Trustee”) formed the official committee of unsecured creditors (the “Creditors’ Committee”) pursuant to Section 1102 of the Bankruptcy Code [Docket No. 93]. On March 27, 2018, the U.S. Trustee appointed an examiner (the “Examiner”) pursuant to section

1104 of the Bankruptcy Code [Docket Nos. 234 and 236]. Additional information regarding Cenveo and its prepetition operations and capital structure is set forth in the First Day Declaration.

Preliminary Statement

8. In the ordinary course of business, Cenveo enters into and maintains numerous contracts with various customers to provide printing, envelope, and labeling products and related services. One long-standing customer is the federal government of the United States, which contracts with Cenveo for a variety of services and products. In the summer of 2017, Cenveo entered into a bidding process to provide such services and products to the United States for the purposes of the 2020 Census (the “2020 Census”). After a lengthy competitive-bidding process, Cenveo was awarded the contract to perform printing and mailing work with respect to the 2020 Census. To formalize Cenveo’s selection, the GPO issued Purchase Order 70141 on October 16, 2017, 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.⁴ Since that time, Cenveo has been in full compliance with the terms of the Census Contract.

9. Shortly after the Commencement Date, the DOJ initiated conversations with Cenveo regarding Cenveo’s restructuring process, including Cenveo’s projected liquidity, and any impact it would have with respect to the Census Contract. In the course of those discussions, Cenveo has sought to demonstrate its expertise and its financial capacity to continue performance under the Census Contract and complete work related to the 2020 Census. However,

⁴ 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.

notwithstanding these constructive discussions, the United States determined that it is in the public interest to conclude the Census Contract early—a standard right afforded to the United States in virtually all federal government contracts. *G.L. Christian & Assocs. v. United States*, 312 F.2d 418 (Ct. Cl. 1963). Given the United States’ broad rights to terminate the Census Contract for convenience once Cenveo emerges from chapter 11, and the costs associated with litigating a contested termination, Cenveo, in a sound exercise of its business judgment, determined that it is in the best interests of its estates to consensually terminate the Census Contract and enter into the Settlement Agreement.⁵ Notably, all other contracts between Cenveo and the United States are unaffected by the termination of the Census Contract and entry into the Settlement Agreement. Moreover, since May 2018, when the DOJ informed Cenveo of its intention to terminate the Census Contract, the GPO has nonetheless awarded Cenveo additional work.

The Settlement Agreement

10. The Settlement Agreement offers a number of benefits to Cenveo’s estates and effectuating the Settlement Agreement is in the best interests of its stakeholders. The Settlement Agreement, among other things: (a) provides for a \$5.5 million cash payment to Cenveo as consideration for the consensual termination of the Census Contract; (b) avoids the uncertainty, delay, and costs associated with protracted litigation to terminate the Census Contract in a non-consensual manner; (c) provides for mutual releases; and (d) provides that Cenveo will receive additional payments (i) for all properly invoiced work completed under an existing print order under the Census Contract prior to June 27, 2018 and (ii) that may become due for work related to

⁵ Although in the course of these negotiations Cenveo took the position that the automatic stay would prevent the United States from unilaterally terminating the Census Contract during the course of these Chapter 11 cases, the parties agree that, for the purposes of a settlement within these bankruptcy proceedings, the contract may be terminated without separately lifting the automatic stay.

the Census Contract that is performed at the request of the United States on or after June 27, 2018; provided, however, that Cenveo will destroy or sanitize all confidential information received in connection with the Census Contract at no additional cost to the United States. Moreover, Cenveo has conferred with advisors to the Creditors' Committee regarding the settlement with the United States in advance of filing the Motion, and Cenveo believes that the members of this key stakeholder group will support the Settlement Agreement.

Basis for Relief

I. The Settlement Agreement Represents a Favorable Resolution of the Issues Among the Parties and Reflects Cenveo's Sound Business Judgment

11. Bankruptcy Rule 9019(a) provides that, "after notice and a hearing, the court may approve a compromise or settlement." Fed. R. Bankr. P. 9019(a). In determining whether to approve a settlement as fair and equitable under Bankrupt Rule 9019, courts in the Second Circuit consider what are often referred to as the "Iridium" factors which include: (a) the balance between the litigation's possibility of success and the settlement's future benefits; (b) the likelihood of complex and protracted litigation, with its attendant expense, inconveniences, and delay; (c) the paramount interest of the creditors; (d) whether other parties in interest affirmatively support the proposed settlement; (e) the nature and breadth of releases to be obtained by officers and directors; (f) whether the competency and experience of counsel support the settlement; and (g) the extent to which the settlement is the product of arm's-length bargaining. *See In re Iridium Operating LLC*, 478 F.3d 452, 462 (2d Cir. 2007); *see also Drexel Burnham Lambert Grp., Inc.*, 960 F.2d 285, 292 (2d Cir. 1992); *In re Ionosphere Clubs, Inc.*, 156 B.R. 414, 428 (S.D.N.Y. 1993), *aff'd*, 17 F.3d 600 (2d Cir. 1994).

12. A settlement under Bankruptcy Rule 9019 need not result in the best possible outcome for the debtors, but must not "fall below the lowest point in the range of reasonableness."

In re Drexel Burnham Lambert Grp., Inc., 134 B.R. 493, 595 (Bankr. S.D.N.Y. 1991). In determining the range of reasonableness, the bankruptcy court need not decide the numerous issues of law and fact raised by the settlement. *See Cosoff v. Rodman (In re W.T. Grant Co.)*, 699 F.2d 599, 608 (2d Cir. 1983) (citing *Newman v. Stein*, 464 F.2d 689, 693 (2d Cir. 1972)). In other words, the court does not need to conduct a “mini-trial” of the underlying facts and merits; it needs only to evaluate those facts that are necessary to allow it to assess the settlement and to make an independent judgment about the settlement. *See In re Charter Commc’ns*, 419 B.R. 221, 252 (Bankr. S.D.N.Y. 2009) (“The standard does not require that the settlement be the best the debtor could have obtained nor does it require the court to conduct a mini-trial of the questions of law and fact.”).

13. Ultimately, the decision to accept or reject a compromise or settlement is within the sound discretion of the bankruptcy court. *Nellis v. Shugrue*, 165 B.R. 115, 123 (S.D.N.Y. 1994) (“Although a judge must consider the fairness of the settlement to the estate and its creditors, the judge is not required to assess the minutia of each and every claim.”); *Drexel Burnham*, 134 B.R. at 505; *see also Abeles v. Infotechnology (In re Infotechnology)*, 1995 U.S. App. LEXIS 39883, at *4–5 (2d Cir. Nov. 9, 1995) (noting that in determining whether to approve a debtor’s motion to settle a controversy, a court does not substitute its judgment for that of the debtor).

14. A court should exercise its discretion in favor of a settlement wherever possible, as settlements are generally favored in bankruptcy. *In re Adelphia Commc’ns Corp.*, 368 B.R. 140, 226 (Bankr. S.D.N.Y. 2007) (“As a general matter, settlements or compromises are favored in bankruptcy and, in fact, encouraged.”); *see also In re Hibbard Brown & Co.*, 217 B.R. 41, 46 (Bankr. S.D.N.Y. 1998) (“The decision to grant or deny a settlement or compromise lies squarely within the discretion of the bankruptcy court [and such] discretion should be exercised in light of the general public policy favoring settlements.”) (citing *Nellis v. Shugrue*, 165 B.R. 115, 121

(S.D.N.Y. 1994); *In re Michael Milken & Assocs. Secs. Litig.*, 150 F.R.D. 46, 53 (S.D.N.Y. 1993) (noting the paramount public policy for settlements)).⁶

15. The Settlement Agreement represents a fair and equitable compromise that is in the best interest of Cenveo's estates and creditors, falls well within the range of reasonableness, and satisfies each of the *Iridium* factors. *First*, the \$5.5 million cash payment to Cenveo was heavily negotiated and properly balances each party's respective litigation position on contract damages, takes into account a portion of Cenveo's lost profits for not being able to complete the Census Contract and falls within what the United States believes to be a reasonable range of outcomes. *Second*, avoiding costly protracted litigation that would consume significant estate resources at this critical juncture and likely after Cenveo emerges from chapter 11 is in the best interests of Cenveo's creditors, as it maximizes estate value within chapter 11 today and will not consume the resources of the newly-reorganized Cenveo or potentially adversely impact Cenveo's relationships with its consumers and vendors due to unnecessary negative publicity. *Third*, while the material terms of the Settlement Agreement have not been shared with members of the First Lien Ad Hoc Group and the Creditors' Committee prior to filing this Motion, Cenveo has shared the terms of the Settlement Agreement with their respective advisors prior to filing this Motion. Cenveo understands that these key constituencies favor prompt resolution of all disputed issues related to the Census Contract and believes these groups will support the Settlement Agreement and the benefits it provides to the estates. *Fourth*, the mutual releases contained in the Settlement Agreement are advantageous to Cenveo, as they add a sense of finality to all possible

⁶ Further, under section 105(a) of the Bankruptcy Code, the Bankruptcy Court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." Authorizing Cenveo to proceed with the Settlement Agreement falls squarely within the spirit of Bankruptcy Rule 9019 as well as the Bankruptcy Code's predilection for compromise. Thus, to the extent necessary, section 105(a) relief is appropriate in this instance and would best harmonize the settlement processes contemplated by the Bankruptcy Code.

proceedings, and are therefore appropriate in light of the global resolution set forth in the Settlement Agreement. *Fifth*, Cenveo and the United States were represented by competent and experienced counsel, as Kirkland & Ellis LLP and the DOJ negotiated at arm's-length for a considerable period of time, through multiple rounds of compromise and discussion, and worked in good faith towards a consensual resolution of all disputed issues in the best interests of both Parties.

16. Cenveo has determined in its reasonable business judgment that the Settlement Agreement represents the best possible outcome with the United States regarding the termination of the Census Contract and helps pave the way towards a smooth exit from chapter 11 in the coming weeks. Thus, the terms of the Settlement Agreement satisfy the Bankruptcy Rule 9019 factors applied in this jurisdiction and Cenveo respectfully requests that the Bankruptcy Court approve the Settlement Agreement and authorize Cenveo to perform thereunder.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

17. To successfully implement the foregoing, Cenveo requests that the Bankruptcy Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that Cenveo has established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Motion Practice

18. This Motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated and a discussion of its application to this Motion. Accordingly, Cenveo submits that this Motion satisfies Rule 9013-1(a) of the Local Bankruptcy Rules for the Southern District of New York.

Notice

19. Cenveo will provide notice of this Motion in accordance with the Case Management Order. Cenveo submits that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

20. No prior request for the relief sought in this Motion has been made to this or any other court.

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WHEREFORE, Cenveo respectfully requests that the Bankruptcy Court enter an order, substantially in the form attached to the Motion at Exhibit A, approving the Settlement Agreement and granting such other relief as the Bankruptcy Court deems appropriate under the circumstances.

Dated: July 19, 2018
New York, New York

/s/ Jonathan S. Henes, P.C.

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Counsel to Cenveo, Inc., et al.

EXHIBIT A

Proposed Order

**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 (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 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and that this Bankruptcy Court may enter a final order consistent with Article III of the United States Constitution; and this Bankruptcy Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Bankruptcy Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Bankruptcy Court having found that Cenveo’s notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be

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.

provided; and this Bankruptcy Court having reviewed the Motion; and this Bankruptcy Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Bankruptcy Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Settlement Agreement is hereby 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 hereby 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 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.

White Plains, New York
Dated: _____, 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 Court

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 (the “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 defined in this Settlement Agreement shall have the meanings set forth in the Motion, unless otherwise noted.

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
PETER ARONOFF
JENNIFER JUDE
Assistant United States Attorneys
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New York, NY 10007
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