



FILED & JUDGMENT ENTERED
Steven T. Salata

October 16 2017

Clerk, U.S. Bankruptcy Court
Western District of North Carolina

J. Craig Whitley
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
Charlotte Division

In re:) Chapter 11
)
PORTRAIT INNOVATIONS, INC., et al.) Case No. 17-31455
)
Debtors.¹) (Jointly Administered)
_____)

**ORDER (A) APPROVING THE DISCLOSURE STATEMENT,
(B) APPROVING CERTAIN DATES RELATED TO CONFIRMATION
OF THE PLAN, (C) APPROVING CERTAIN VOTING PROCEDURES
AND THE FORM OF CERTAIN DOCUMENTS TO BE DISTRIBUTED IN
CONNECTION WITH THE SOLICITATION OF THE PLAN, AND (D) APPROVING
PROPOSED VOTING AND GENERAL TABULATION PROCEDURES**

Upon the *Debtors' Motion for Entry of an Order (A) Approving the Disclosure Statement, (B) Approving Certain Dates Related to Confirmation of the Plan, (C) Approving Certain Voting Procedures and the Form of Certain Documents to be Distributed In Connection With Solicitation of the Plan, and (D) Approving Proposed Voting and General Tabulation*

¹ The Debtors in these jointly administered cases are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Portrait Innovations, Inc. (9394) and Portrait Innovations Holding Company (5553). The Debtors' address is 2016 Ayrley Town Center Boulevard, Suite 200, Charlotte, North Carolina 28273.

Procedures (the “Motion”);² and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court have found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the 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;

IT IS HEREBY FURTHER FOUND AND DETERMINED THAT:

1. The Motion is granted as set forth herein.
2. The Plan Confirmation Schedule is approved in its entirety, as modified herein and attached as Exhibit 1.
3. The Debtors have provided adequate notice of the time fixed for filing objections and the hearing to consider approval of the Disclosure Statement in accordance with Bankruptcy Rules 2002 and 3017 and Local Rule 2002-1 and 3018-1.
4. Any objections to approval of the Disclosure Statement that were not withdrawn, resolved or reserved at or prior to the hearing to consider approval of the Disclosure Statement are overruled.
5. The Disclosure Statement complies with all aspects of section 1125 of the Bankruptcy Code and is hereby approved as containing adequate information (as defined by section 1125(a) of the Bankruptcy Code).
6. October 25 2017 shall be the Voting Record Date for determining: (a) the Holders of Claims and Interests (including “holders of bonds, debentures, notes and other securities”) that are entitled to receive the Solicitation Package pursuant to the Solicitation Procedures; (b) the Holders of Claims entitled to vote to accept the Plan; and (c) whether Claims and Interests have been properly transferred or assigned to an assignee, including the requirements that: (i) the

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

transfer or assignment has been fully effectuated pursuant to the procedures dictated by Bankruptcy Rule 3001(e); and (ii) such transfer is reflected on the Claims Register on or before the Voting Record Date.

7. The Disclosure Statement, the Plan, and the Ballots provide Holders of Claims and Interests and other parties in interest with sufficient notice regarding the release, exculpation, and injunction provisions contained in the Plan in compliance with Bankruptcy Rule 3016(c).

8. The Solicitation Procedures attached hereto as Exhibit 2 and incorporated by reference herein are hereby approved in their entirety, provided that the Debtors reserve the right to amend or supplement the Solicitation Procedures to better facilitate the solicitation process.

9. The procedures for distribution of the Solicitation Packages set forth in the Motion and the Solicitation Procedures satisfy the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and the Debtors shall distribute or cause to be distributed Solicitation Packages to all Entities entitled to vote to accept or reject the Plan.

10. The form of the Confirmation Hearing Notice, substantially in the form attached hereto as Exhibit 3, complies with the requirements of Bankruptcy Rules 2002(b), 2002(d), and 3017(d) and is hereby approved.

11. The Debtors shall publish the Confirmation Hearing Notice (in a format modified for publication) in the *Wall Street Journal* on a date no fewer than 15 calendar days prior to the Voting Deadline.

12. The Debtors shall provide the Confirmation Hearing Notice in accordance with Bankruptcy Rule 2002, including all parties who received notice of the Disclosure Statement Hearing and to all parties to executory contracts and unexpired leases.

13. The Ballots, substantially in the forms attached hereto as Exhibit 4 are hereby approved.

14. The form of the voting instructions, substantially in the form attached to the Ballots on Exhibits 4 hereto, are hereby approved.

15. All votes to accept or reject the Plan must be cast by using the appropriate Ballot.

16. All Ballots must be properly executed, completed, and delivered according to their applicable voting instructions by: (a) first class mail, in the return envelope provided with each Ballot; (b) overnight courier; or (c) personal delivery, so that the Ballots are received by the Administrative Agent no later than the Voting Deadline at the return address set forth in the applicable Ballot.

17. The Non-Voting Status Notice-Deemed to Accept, substantially in the form attached hereto as Exhibit 5, is hereby approved.

18. The Non-Voting Status Notice-Deemed to Reject, substantially in the form attached hereto as Exhibit 6, is hereby approved.

19. Ballots and copies of the Plan and Disclosure Statement need not be provided to the Holders of Claims who are in Unimpaired Classes or who are unclassified under the Plan and are, therefore, deemed to accept the Plan.

20. The form of the Disputed Claim Notice, substantially in the form attached hereto as Exhibit 7, is hereby approved.

21. The Debtors shall be excused from mailing Solicitation Packages to those Entities to whom the Debtors mailed a notice regarding the Disclosure Statement Hearing and received a notice from the United States Postal Service or other carrier that such notice was undeliverable unless such Entity provides the Debtors, through the Administrative Agent, an accurate address

not less than ten calendar days prior to the Solicitation Date. If an Entity has changed its mailing address after the Petition Date, the burden is on such Entity, not the Debtors, to advise the Debtors and the Administrative Agent of the new address.

22. The Voting Deadline shall be 5:00 p.m. prevailing Eastern Time on November 30, 2017.

23. The Plan Objection Deadline shall be 5:00 p.m. prevailing Eastern Time on November 30, 2017.

24. Any objections to the Plan must be filed by the Plan Objection Deadline and must: (a) be in writing; (b) conform to the Bankruptcy Rules and the Local Rules; (c) state the name and address of the objecting party and the amount and nature of the Claim or Interest of such Entity; (d) state with particularity the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and (e) be filed, contemporaneously with a proof of service, with the Bankruptcy Court and served so that it is actually received by the notice parties identified in the Confirmation Hearing Notice no later than the Plan Objection Deadline.

25. The Confirmation Hearing shall commence on December 7, 2017 at 9:30 a.m. (prevailing Eastern Time), which hearing may be continued from time to time by the Court or the Debtors without further notice other than by such adjournment being announced in open court or by a notice of adjournment filed with the Court and served on (a) all entities that have filed a request for service of filings in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002 and (b) other parties entitled to notice.

26. The Debtors are authorized, subject to the consent of the Noteholder Agent and Committee, to make non-substantive or immaterial changes to the Disclosure Statement, Plan,

Ballots, Confirmation Hearing Notice, and related documents without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the Disclosure Statement, the Plan, and any other materials in the Solicitation Package after the entry of this Order and prior to the distribution of the Solicitation Package and related materials.

27. The terms of this Order shall be binding upon the Debtors, all Holders of Claims and Interests, and any trustees appointed under chapter 7 or chapter 11 of the Bankruptcy Code relating to the Debtors and all other parties in interest.

28. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

29. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

30. Notwithstanding the possible applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

31. The Court shall retain jurisdiction to hear and determine all matters arising from or relating to the interpretation or implementation of this Order.

This Order has been signed electronically. The judge's signature and court's seal appear at the top of the Order.

United States Bankruptcy Court

EXHIBIT 1

Plan Confirmation Schedule

October 17, 2017	Cure Notice
October 25, 2017	Bar Date and Voting Record Date
October 30, 2017	Solicitation Deadline
November 9, 2017	Bid Deadline
November 10, 2017	Bidder Adequate Assurance and Assumption Schedules Filed and Served
November 16, 2017	Auction
November 20, 2017	Notice of Winning Bidder & Plan Supplement Filed
November 30, 2017	Voting Deadline
November 30, 2017	Objection Deadlines for Confirmation, Cure Notice, Assumption & Winning Bidder Adequate Assurance
December 7, 2017	Confirmation Hearing

EXHIBIT 2

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
Charlotte Division

In re:) Chapter 11
)
PORTRAIT INNOVATIONS, INC., et al.) Case No. 17-31455
)
Debtors.¹) (Jointly Administered)
_____)

SOLICITATION PROCEDURES

On September 8, 2017, the above-captioned debtors and debtors-in-possession (the “Debtors”) filed: (a) the *Disclosure Statement for the Debtors’ Joint Chapter 11 Plan of Reorganization* (the “Disclosure Statement”); (b) the *Debtors’ Joint Chapter 11 Plan of Reorganization* (the “Plan”); and (c) the *Debtors’ Motion for Entry of an Order: (a) Approving the Disclosure Statement, (b) Approving Certain Dates Related to Confirmation of the Plan, (c) Approving Certain Voting Procedures and the Form of Certain Documents to be Distributed in Connection with Solicitation of the Plan, and (d) Approving Proposed Voting and General Tabulation Procedures* (the “Motion”). On October __, 2017, the Bankruptcy Court entered an order approving the Motion and the Solicitation Procedures (the “Disclosure Statement Order”).²

Definitions

- a. “Administrative Agent” means Rust Consulting/Omni Bankruptcy retained as the Debtors’ notice, claims, and solicitation agent.
- a. “Ballot” means the ballots accompanying the Disclosure Statement upon which certain Holders of Impaired Claims entitled to vote shall, among other things, indicate their acceptance or rejection of the Plan in accordance with the Plan and the procedures governing the solicitation process, and which must be actually received on or before the Voting Deadline.
- b. “Bankruptcy Court” means the United States Bankruptcy Court for the Western District of North Carolina having jurisdiction over the Chapter 11 Cases.

¹ The Debtors in these jointly administered cases are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Portrait Innovations, Inc. (9394) and Portrait Innovations Holding Company (5553). The Debtors address is 2016 Ayrslley Town Center Boulevard, Suite 200, Charlotte North Carolina 28273.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion, the Plan or the Disclosure Statement, as applicable. A copy of the Motion, the Disclosure Statement, and the Plan may be obtained: (a) from the Administrative Agent (i) by accessing the Administrative Agent’s website at www.omnimgt.com/PortraitInnovations; or (ii) by submitting a request in writing to Portrait Innovations, Inc., C/O Rust Omni, 5955 DeSoto Avenue, Suite 100, Woodland Hills, CA 91367 (b) for a fee via PACER at <https://ecf.newb.uscourts.gov>.

- c. “Confirmation Hearing” means the hearing conducted by the Bankruptcy Court pursuant to section 1128(a) of the Bankruptcy Code to consider confirmation of the Plan, as such hearing may be adjourned or continued from time to time and which currently is scheduled for December 7, 2017 at 9:30 a.m. (prevailing Eastern Time).
- d. “Confirmation Hearing Notice” means that certain notice of the Confirmation Hearing approved by the Bankruptcy Court in the Disclosure Statement Order.
- e. “Disclosure Statement” means the Disclosure Statement approved by the Bankruptcy Court in the Disclosure Statement Order.
- f. “General Tabulation Procedures” means the Procedures set forth herein for the purposes of tabulating votes to accept or reject the Plan.
- g. “Non-Voting Status Notice-Deemed to Accept” means the notice of non-voting status that the Holders of Claims and Interests in Classes 1 and 2 who are deemed to accept the Plan will receive in lieu of a Ballot.
- h. “Non-Voting Status Notice-Deemed to Reject” means the notice the Holders of Claims and Interests in Classes 5, 6, and 7 who are deemed to reject the Plan will receive in lieu of a Ballot.
- i. “Plan” means the Debtors’ Joint Plan of Reorganization.
- j. “Plan Objection Deadline” means November 30, 2017, at 5:00 p.m. (prevailing Eastern Time), the date set by the Bankruptcy Court as the deadline to file and serve objections to the Plan.
- k. “Resolution Event” has the meaning set forth in section D.4 of the Solicitation Procedures.
- l. “Solicitation Package” consists of the documents set forth in section C.1. of the Solicitation Procedures.
- m. “Solicitation Procedures” means the procedures set forth herein.
- n. “Voting Deadline” means November 30, 2017 at 5:00 p.m. (prevailing Eastern Time), the date set by the Bankruptcy Court as the deadline for receipt of Ballots by the Administrative Agent.
- o. “Voting Record Date” has the meaning set forth in section A of the Solicitation Procedures.

Solicitation Procedures

A. The Voting Record Date

The Bankruptcy Court has approved **October 25, 2017**, as the record date (the “Voting Record Date”) for purposes of determining, among other things, which Holders of Claims are entitled to vote on the Plan.

B. The Voting Deadline

The Bankruptcy Court has approved **November 30, 2017, at 5:00 p.m.** (prevailing Eastern Time) as the deadline for the delivery of Ballots voting to accept or reject the Plan (the “Voting Deadline”). To be counted as votes to accept or reject the Plan, all Ballots, as applicable, must be properly executed, completed, and delivered by using the return envelope provided or by delivery by: (a) first class mail; (b) overnight courier; or (c) personal delivery, so that they are actually received no later than the Voting Deadline by the Administrative Agent. The Ballots will clearly indicate the appropriate return address. Ballots returnable to the Administrative Agent should be sent to: **Portrait Innovations, Inc., C/O Rust Omni, 5955 DeSoto Avenue, Suite 100, Woodland Hills, CA 91367.**

C. Solicitation Procedures

1. **The Solicitation Package:** The Solicitation Package shall contain copies of the following:

- a. either (i) the Disclosure Statement Order (with the Solicitation Procedures, which shall be attached as Exhibit 1 thereto) and the approved form of the Disclosure Statement (together with the Plan) in either paper, USB flash drive, or CD-ROM format with an appropriate form of Ballot and voting instructions with respect thereto, if applicable (with a pre-addressed, postage prepaid return envelope); or (ii) a Non-Voting Status Notice;
- b. the Confirmation Hearing Notice; and
- c. such other materials as the Bankruptcy Court may direct or authorize.

2. **Distribution of the Solicitation Packages:** The Solicitation Package shall be served on the following Entities:

- a. Holders of Claims or Interests for which a Proof of Claim or Interest has been timely filed, as reflected on the Claims Register as of the Voting Record Date; provided, however, that Holders of Claims and Interests to which an objection is pending at least 15 days prior to the Confirmation Hearing shall not be entitled to vote unless such Holders become eligible to vote through a Resolution Event in accordance with section D.4 herein;

- b. All Entities listed in the Debtors' Schedules³ shall receive a Solicitation Package with the exception of those Claims and Interests that are scheduled in the amount of \$0.00, in an unknown amount, as contingent, unliquidated, disputed, or any combination thereof (excluding such scheduled Claims and Interests where a timely-filed Proof of Claim has been filed), including all counterparties to executory contracts and unexpired leases; and
- c. Holders whose Claims or Interests arise pursuant to an agreement or settlement with the Debtors, as reflected in a document filed with the Bankruptcy Court, in an order of the Bankruptcy Court or in a document executed by the Debtors pursuant to authority granted by the Bankruptcy Court, in each case regardless of whether a Proof of Claim or Interest has been filed.

The Debtors shall make every reasonable effort to ensure that Holders of more than one Claim in a single Voting Class receive no more than one Solicitation Package on account of such Claims.

3. Distribution of Materials: In addition, the following Entities shall be served either paper copies, USB flash drive, or a CD-ROM containing the Disclosure Statement Order, the Disclosure Statement, and all exhibits to the Disclosure Statement, including the Plan: (a) the Office of the United States Bankruptcy Administrator for the Western District of North Carolina; (b) counsel to the official committee of unsecured creditors appointed in the Chapter 11 Cases; (c) counsel to the Noteholders; (d) the Internal Revenue Service; (e) the Securities and Exchange Commission; (f) all those persons and entities that have formally requested notice, pursuant to Bankruptcy Rule 2002 and the Local Rules; and (g) all other parties in interest identified on affidavits of service in these Chapter 11 Cases.

4. Publication of Confirmation Hearing Notice: The Debtors shall, following the Disclosure Statement Hearing, publish the Confirmation Hearing Notice, which will contain, among other things, the Plan Objection Deadline, the Voting Deadline, and the date that the Confirmation Hearing is first scheduled, in the *Wall Street Journal* to provide notification to those Entities that may not receive notice by mail, on a date no fewer than 15 calendar days prior to the Voting Deadline.

D. Voting and General Tabulation Procedures

1. **Who May Vote:** Only the following Holders of Claims in Voting Classes are entitled to vote:

- a. Holders of Claims for which Proofs of Claim have been timely-filed, as reflected on the claims register as of the Voting

³ "Schedules" are, collectively, the schedules of assets and liabilities, schedules of executory contracts and unexpired leases and statements of financial affairs filed by the Debtors pursuant to section 521 of the Bankruptcy Code and in substantial conformance with the official bankruptcy forms, as the same may have been amended, modified, or supplemented from time to time.

Record Date; provided, however, that certain Holders of Claims subject to a pending objection shall not be entitled to vote unless they become eligible to vote through a Resolution Event, as set forth in more detail in section D.4 herein;

- b. Holders of Claims that are listed in the Debtors' Schedules, with the exception of those Claims that are scheduled as contingent, unliquidated, or disputed (excluding such scheduled Claims and Interests where a timely-filed Proof of Claim has been filed);
- c. Holders whose Claims arise pursuant to an agreement or settlement with the Debtors, as reflected in a document filed with the Bankruptcy Court, in an order of the Bankruptcy Court, or in a document executed by the Debtors pursuant to authority granted by the Bankruptcy Court, in each case regardless of whether a Proof of Claim has been filed; and
- d. The assignee of any transferred or assigned Claim, only if: (i) transfer or assignment has been fully effectuated pursuant to the procedures dictated by Bankruptcy Rule 3001(e); and (ii) such transfer is reflected on the Claims Register on or before the Voting Record Date.

2. **Establishing Claim Amounts:** In tabulating votes, the following hierarchy will be used to determine the amount of the Claim associated with each vote:

- d. the amount of the Claim settled and/or agreed upon by the Debtors, as reflected in a court pleading, stipulation, agreement, or other document filed with the Bankruptcy Court, in an order of the Bankruptcy Court or in a document executed by the Debtors pursuant to authority granted by the Bankruptcy Court;
- e. the amount of the Claim Allowed (temporarily or otherwise) pursuant to a Resolution Event in accordance with the Solicitation Procedures;
- f. the amount of the Claim contained in a Proof of Claim that has been timely filed by the applicable claims bar date (or deemed timely filed by the Bankruptcy Court under applicable law) except for any amounts in such Proofs of Claim asserted on account of any interest accrued after the Petition Date; provided that Ballots cast by Holders whose Claims are not listed in the Schedules, but that timely File a Proof of Claim that is contingent or unliquidated or does not specify a fixed or liquidated amount amount that are not the subject of an objection, will count for satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code and will count as Ballots for Claims in the amount of \$1.00 solely

for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code; provided, further, that to the extent the amount of the Claim contained in the Proof of Claim is different from the amount of the Claim set forth in a document filed with the Bankruptcy Court as referenced in the Solicitation Procedures, the amount of the Claim in the document filed with the Bankruptcy Court will supersede the amount of the Claim set forth on the respective Proof of Claim; and

- g. the amount of the Claim listed in the Schedules; provided, that such Claim is not listed in the Schedules as contingent, unliquidated, or disputed, or any combination thereof, and has not been paid.

The amount of the Claim established herein shall control for voting purposes only and shall not constitute the Allowed amount of any Claim. Moreover, any amounts filled in on Ballots by the Debtors through the Administrative Agent are not binding for any purpose, including for purposes of voting and distribution.

3. General Ballot Tabulation: The following voting procedures and standard assumptions will be used in tabulating Ballots:

- a. except as otherwise provided herein or unless waived by the Debtors, unless the Ballot being furnished is timely submitted on or prior to the Voting Deadline, the Debtors shall reject such Ballot as invalid and, therefore, decline to count it in connection with Confirmation;
- b. the Administrative Agent will date and time-stamp all Ballots when received. The Administrative Agent shall retain all original Ballots and an electronic copy of the same for a period of six years after the Effective Date of the Plan, unless otherwise ordered by the Bankruptcy Court;
- c. an original executed Ballot is required to be submitted by the Entity submitting such Ballot. Delivery of a Ballot to the Administrative Agent by facsimile, email or any other electronic means shall not be valid;
- d. the Debtors shall file the Voting Report on December 5, 2017. The Voting Report shall, among other things, delineate every irregular Ballot including, without limitation, those Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking signatures or necessary information, received via facsimile or electronic mail, or damaged. The Voting Report shall indicate the Debtors' intentions with regard to such irregular Ballots:

- e. the method of delivery of Ballots to the Administrative Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided herein, such delivery will be deemed made only when the Administrative Agent actually receives the originally executed Ballot;
- f. no Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Administrative Agent), or the Debtors' financial or legal advisors and if so sent will not be counted;
- g. if multiple Ballots are received from the same Holder of a Claim with respect to the same Claim prior to the Voting Deadline, the latest-dated valid Ballot received prior to the Voting Deadline will supersede and revoke any prior dated Ballot;
- h. Holders must vote all of their Claims within a particular Class either to accept or reject the Plan and may not split any such votes. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a Holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular Holder within a Class for the purpose of counting votes;
- i. a person signing a Ballot in its capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity must indicate such capacity when signing and, if required or requested, submit proper evidence to the requesting party of the authority to so act on behalf of the subject Holder;
- j. the Debtors, subject to contrary order of the Bankruptcy Court, may waive any defects or irregularities as to any particular Ballot at any time, either before or after the close of voting, and any such waivers shall be documented in the Voting Report;
- k. neither the Debtors, nor any other Entity, will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots other than as provided in the Voting Report, nor will any of them incur any liability for failure to provide such notification;
- l. unless waived by the Debtors, subject to contrary order of the Bankruptcy Court, any defects or irregularities in connection with deliveries of Ballots must be cured prior to the Voting Deadline or such Ballots will not be counted;
- m. in the event a designation for lack of good faith is requested by a party in interest under section 1126(e) of the Bankruptcy Code, the

Bankruptcy Court will determine whether any vote to accept and/or reject the Plan cast with respect to that Claim will be counted for purposes of determining whether the Plan has been accepted and/or rejected by such Claim;

- n. subject to any contrary order of the Bankruptcy Court, the Debtors reserve the right to reject any and all Ballots not in proper form, the acceptance of which, in the opinion of the Debtors, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; provided, however, that any such rejections shall be documented in the Voting Report;
- o. if a Claim has been estimated or otherwise Allowed for voting purposes by an order of the Bankruptcy Court pursuant to Bankruptcy Rule 3018(a), such Claim shall be temporarily Allowed in the amount so estimated or Allowed by the Bankruptcy Court for voting purposes only and not for purposes of allowance or distribution;
- p. if an objection to a Claim is Filed, such Claim shall be treated in accordance with the procedures set forth herein; and
- q. the following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the Holder of the Claim; (b) any Ballot cast by a Party that does not hold a Claim in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; or (e) any Ballot submitted by any Entity not entitled to vote pursuant to the Solicitation Procedures.

4. Temporary Allowance of Claims for Voting Purposes: If a Holder of a Claim is subject to a pending objection at least 15 days prior to the Confirmation Hearing, the Holder of such Claim cannot vote unless one or more of the following events have taken place at least six business days before the Voting Deadline (each, a “Resolution Event”):

- a. an order of the Bankruptcy Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing;
- b. an order of the Bankruptcy Court is entered temporarily allowing such Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing;
- c. a stipulation or other agreement is executed between the Holder of such Claim and the Debtors resolving the objection and allowing such Claim in an agreed upon amount;

- d. a stipulation or other agreement is executed between the Holder of such Claim and the Debtors temporarily allowing the Holder of such Claim to vote its Claim in an agreed upon amount; or
- e. the pending objection to such Claim is voluntarily withdrawn by the Debtors.

No later than two business days after a Resolution Event, the Administrative Agent shall distribute a Solicitation Package and a pre-addressed, postage pre-paid envelope to the relevant Holder of such temporarily allowed Claim that has been allowed for voting purposes only (or for other purposes as set forth in an applicable order of the Bankruptcy Court) by such Resolution Event, which must be returned according to the instructions on the Ballot by no later than the Voting Deadline.

If the Holder of a Claim receives a Solicitation Package and the Debtors object to such Claim after the Voting Record Date, but at least 15 days prior to the Confirmation Hearing, the Debtors' notice of objection will inform such Holder of the rules applicable to Claims subject to a pending objection and the procedures for temporary allowance for voting purposes. Furthermore, if the Holder of a Claim receives a Solicitation Package and the Debtors object to such Claim less than 15 days prior to the Confirmation Hearing, the Holder's Claim shall be deemed temporarily allowed for voting purposes only without further action by the Holder of such Claim and without further order of the Bankruptcy Court.

5. Forms of Notices to Unimpaired Classes: Certain Holders of Claims that are not entitled to vote because they are unimpaired or are otherwise deemed to accept the Plan under section 1126(f) of the Bankruptcy Code, will receive only the Confirmation Hearing Notice and the Non-Voting Status Notice–Deemed to Accept. The Non-Voting Status Notice–Deemed to Accept will instruct the Holders how they may obtain copies of the documents contained in the Solicitation Package (excluding Ballots).

6. Forms of Notices to Impaired Classes: Certain Holders of Claims or Interests that are not entitled to vote because they are Impaired, or are otherwise deemed to reject the Plan under section 1126(g) of the Bankruptcy Code, will receive only the Confirmation Hearing Notice and the Non-Voting Status Notice–Deemed to Reject. The Non-Voting Status Notice–Deemed to Reject will instruct the Holders how they may obtain copies of the documents contained in the Solicitation Package (excluding Ballots).

E. Release, Exculpation and Injunction Language in the Plan

THE RELEASE, EXCULPATION, AND INJUNCTION LANGUAGE IN ARTICLE IX OF THE PLAN WILL BE INCLUDED IN THE DISCLOSURE STATEMENT AND FURTHER NOTICE IS PROVIDED WITH RESPECT TO SUCH PROVISIONS IN THE CONFIRMATION HEARING NOTICE.

F. Amendments to the Plan and the Solicitation Procedures

THE DEBTORS EXPRESSLY RESERVE THE RIGHT TO AMEND FROM TIME TO TIME THE TERMS OF THE PLAN IN ACCORDANCE WITH THE TERMS THEREOF

(SUBJECT TO COMPLIANCE WITH THE REQUIREMENTS OF SECTION 1127 OF THE BANKRUPTCY CODE AND THE TERMS OF THE PLAN REGARDING MODIFICATION).

THE DEBTORS EXPRESSLY RESERVE THE RIGHT TO AMEND OR SUPPLEMENT THE SOLICITATION PROCEDURES TO BETTER FACILITATE THE SOLICITATION PROCESS.

EXHIBIT 3

Confirmation Hearing Notice

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
Charlotte Division

In re:) Chapter 11
)
PORTRAIT INNOVATIONS, INC., et al.) Case No. 17-31455
)
Debtors.¹) (Jointly Administered)
_____)

**NOTICE OF (A) THE SOLICITATION AND VOTING
PROCEDURES AND (B) THE OBJECTION DEADLINE AND
CONFIRMATION HEARING WITH RESPECT TO THE DEBTORS' JOINT
CHAPTER 11 PLAN OF REORGANIZATION**

TO ALL HOLDERS OF CLAIMS AND INTERESTS AND PARTIES IN INTEREST:

- 1. Bankruptcy Court Approval of the Disclosure Statement and the Solicitation Procedures.** On October __, 2017, the United States Bankruptcy Court for the Western District of North Carolina (the "Bankruptcy Court") entered an order (the "Disclosure Statement Order") that, among other things: approved the *Disclosure Statement for the Debtors' Joint Chapter 11 Plan of Reorganization* (as amended from time to time and including all exhibits and supplements thereto, the "Disclosure Statement"), as containing adequate information, as required under section 1125(a) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), and (b) authorized above-captioned debtors and debtors in possession (collectively, the "Debtors") to solicit votes with regard to the acceptance or rejection of the *Debtors' Joint Chapter 11 Plan of Reorganization* (the "Plan").²
- 2. Voting Record Date.** The Voting Record Date for purposes of determining which Holders of Claims are entitled to vote on the Plan is **October 25, 2017**.
- 3. Voting Deadline.** If you hold a Claim against one of the Debtors as of the Voting Record Date and are entitled to vote to accept or reject the Plan, you have received a Ballot and Voting Instructions appropriate for your Claim(s). For your vote to accept or reject the Plan to be counted, you must follow the appropriate voting instructions, complete all required information on the Ballot, and execute and return the completed Ballot so that it is actually received in accordance with the voting instructions set forth in the Ballot at the address indicated on the Ballot by **5:00 p.m. prevailing Eastern Time**

¹ The Debtors in these jointly administered cases are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Portrait Innovations, Inc. (9394) and Portrait Innovations Holding Company (5553). The Debtors address is 2016 Ayrley Town Center Boulevard, Suite 200, Charlotte North Carolina 28273.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan.

on November 30, 2017 (the “Voting Deadline”). Any failure to follow the voting instructions included with the Ballot may disqualify your Ballot and your vote on the Plan.

4. **Objections to the Plan.** The Bankruptcy Court has established **November 30, 2017 at 5:00 p.m. prevailing Eastern Time**, as the last date and time for filing and serving objections to the Confirmation of the Plan (the “Plan Objection Deadline”). Any objection to the Plan must (a) be in writing, (b) conform to the Bankruptcy Rules and the Local Rules, (c) state the name and address of the objecting party and the amount and nature of the Claim or Interest of such Entity, (d) state with particularity the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection, and (e) be filed, contemporaneously with a proof of service, with the Bankruptcy Court and served so that it is actually received no later than the Plan Objection Deadline, by:

<p style="text-align: center;">John R. Miller, Jr. Paul R. Baynard Benjamin E. Shook Rayburn Cooper & Durham, P.A. 227 West Trade Street, Suite 1200 Charlotte, NC 28202</p> <p style="text-align: center;"><i>Counsel to Debtors</i></p>	<p style="text-align: center;">Charles A. Dale III Margaret R. Westbrook Aaron S. Rothman K&L Gates LLP 214 N. Tryon Street Charlotte, NC 28202</p> <p style="text-align: center;"><i>Counsel to the Noteholders</i></p>
<p style="text-align: center;">Office of the U.S. Bankruptcy Administrator 402 West Trade Street, Room 200 Charlotte, NC 28202</p> <p style="text-align: center;"><i>Bankruptcy Administrator for the Western District of NC</i></p>	<p style="text-align: center;">Jason Adams Lauren Schlussel Maeghan McLoughlin Kelley Drye & Warren, LLP 101 Park Ave. New York, NY 10178</p> <p style="text-align: center;"><i>Counsel to the Committee</i></p>

5. **Confirmation Hearing.** A hearing to confirm the Plan (the “Confirmation Hearing”) will commence on **December 7, 2017 at 9:30 a.m. prevailing Eastern Time** at the United States Bankruptcy Court for the Western District of North Carolina, located at 401 West Trade Street, Courtroom 1-4, Charlotte, NC 28202. Please be advised that the Confirmation Hearing may be continued from time to time by the Court or the Debtors without further notice other than by such adjournment being announced in open court or by a notice of adjournment filed with the Court and served on parties entitled to notice under Bankruptcy Rule 2002 and the local rules of the Bankruptcy Court or otherwise (the “Service List”). In accordance with the Plan, the Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing further action by the Debtors and without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

6. **Inquiries.** The Debtors shall serve paper or electronic copies of the Disclosure Statement Order, the Disclosure Statement and all exhibits to the Disclosure Statement, including the Plan, on the Service List and all Entities entitled to vote to accept or reject the Plan. Holders of Claims who are entitled to vote to accept or reject the Plan shall receive a Solicitation Package, containing paper or electronic copies of this Notice, applicable Ballot(s) and the Solicitation Procedures. The Solicitation Package may be obtained from the Administrative Agent retained by the Debtors in these Chapter 11 Cases by: **(a) (i) accessing the Administrative Agent’s website at www.omningt.com/PortraitInnovations; (ii) submitting a request in writing to Portrait Innovations, Inc., C/O Rust Omni, 5955 DeSoto Avenue, Suite 100, Woodland Hills, CA 91367; or (iii) by calling 818-906-8300 within the U.S. or Canada or (b) for a fee via PACER at <https://ecf.ncwb.uscourts.gov>.** For Holders of Claims and Interests, the Administrative Agent will answer questions regarding the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan, provide additional copies of all materials, and oversee the voting tabulation.

7. **Temporary Allowance of Claims for Voting Purposes.** Holders of Claims that are subject to a pending objection by the Debtors at least 15 days prior to the Confirmation Hearing cannot vote on the Plan; provided, that if the Debtors object to only a portion of a Claim, such Claim may be voted in the undisputed amount. Moreover, a Holder of a Claim cannot vote any disputed portion of its Claim unless one or more of the following has taken place at least six business days before the Voting Deadline (each, a “Resolution Event”):

- a. an order of the Bankruptcy Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing;
 - b. an order of the Bankruptcy Court is entered temporarily allowing such Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing;
 - c. a stipulation or other agreement is executed between the Holder of such Claim and the Debtors resolving the objection and allowing such Claim in an agreed upon amount;
 - d. a stipulation or other agreement is executed between the Holder of such Claim and the Debtors temporarily allowing the Holder of such Claim to vote its Claim in an agreed upon amount; or
 - e. the pending objection to such Claim is voluntarily withdrawn.
8. No later than two business days after a Resolution Event, the Administrative Agent shall distribute a Solicitation Package and a pre-addressed, postage pre-paid envelope to the relevant Holder of such temporarily Allowed Claim that has been Allowed for voting purposes only (or for other purposes as set forth in an applicable order of the Bankruptcy Court) by such Resolution Event, which must be returned according to the instructions on the Ballot by no later than the Voting Deadline.

9. If the Holder of a Claim receives a Solicitation Package and the Debtors object to such Claim after the Voting Record Date, but at least 15 days prior to the Confirmation Hearing, the Debtors' notice of objection will inform such Holder of the rules applicable to Claims and Interests subject to a pending objection and the procedures for temporary allowance for voting purposes. Furthermore, if the Holder of a Claim receives a Solicitation Package and the Debtors object to such Claim less than 15 days prior to the Confirmation Hearing, the Holder's Claim shall be deemed temporarily allowed for voting purposes only without further action by the Holder of such Claim and without further order of the Bankruptcy Court.
10. **Release, Exculpation, and Injunction Language in the Plan.** Please be advised that Article IX of the Plan contains the following release, exculpation, and injunction provisions:

Discharge of Claims

Except as otherwise provided for herein and effective as of the Effective Date: (a) the rights afforded in the Plan and the treatment of all Claims and Interests shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors or any of their assets, property or Estates; (b) the Plan shall bind all holders of Claims and Interests, notwithstanding whether any such holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) all Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code; and (d) all Entities shall be precluded from asserting against the Debtors, the Debtors' Estates, the Committee, the Reorganized Company, their successors and assigns and their assets and properties any other Claims or Interests based upon any documents, instruments, or any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date.

Release and Waiver of Avoidance Actions

Notwithstanding anything contained herein to the contrary, as of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Debtors, the Reorganized Debtors, the Estates and their respective successors and assigns shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released, waived and discharged all Avoidance Actions.

Consensual Third-Party Releases

As of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, all Voting Creditors who vote to accept the Plan shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged the Released Parties from any and all Claims, Interests, obligations, rights, liabilities, actions, causes of action, choses in action, suits, debts, damages, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, remedies, rights of set-

off, third-party claims, subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims, and crossclaims (including all claims and actions against any Entities under the Bankruptcy Code) whatsoever, whether for tort, contract, violations of federal or state securities laws, Avoidance Actions, including (solely to the extent permissible under applicable law) any derivative Claims asserted or that could be asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, the Restructuring Transaction, or the Support Agreement; the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to the Support Agreement, the Disclosure Statement, or the Plan; the filing and prosecution of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Company, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, prepetition contracts and agreements with one or more Debtors, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date; provided, that to the extent that a Claim or Cause of Action is determined by a Final Order to have constituted actual fraud, gross negligence, or willful misconduct, such Claim or Cause of Action shall not be so released. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any obligations arising on or after the Effective Date of any party under the Plan, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

Notwithstanding the foregoing, nothing in this Section 9.3 shall operate to release the rights of the Noteholders and the DIP Lenders under the Support Agreement, DIP Documents, or the Plan.

Approval of Compromise

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the release set forth in Sections 9.2 and 9.3, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the Claims released by Sections 9.2 and 9.3; (c) in the best interests of the Debtors and all holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Entity granting a release under Sections 9.2 and 9.3 from asserting any Claim or Cause of Action released by Sections 9.2 and 9.3.

Exculpation

Effective as of the Effective Date, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any Exculpated Claim or any obligation, Cause of Action, or liability for any Exculpated Claim, except for actual fraud, willful misconduct, or gross negligence, and in all respects, the Exculpated Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. The Exculpated Parties have, and upon Confirmation shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the solicitation of acceptances and rejections of the Plan and the making of Distributions pursuant to the Plan and, therefore, are not and shall not be liable at any time for the violation of any applicable, law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such Distributions made pursuant to the Plan.

Injunction

Except as otherwise provided herein or in the Confirmation Order, from and after the Effective Date, all Entities are, to the fullest extent provided under section 524 and other applicable provisions of the Bankruptcy Code, permanently enjoined from taking any of the following actions against, as applicable, the Debtors, the Reorganized Company, the Released Parties, or the Exculpated Parties (collectively, the “*Section 9.5 Parties*”): (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any Claims or Interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against the Section 9.5 Parties or their respective property and assets on account of or in connection with or with respect to any such Claims or Interests; (c) creating, perfecting, or enforcing any encumbrance of any kind against the Section 9.5 Parties or their respective property and assets on account of or in connection with or with respect to any such Claims or Interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from the Section 9.5 Parties or their respective property and assets on account of or in connection with or with respect to any such Claims or Interests unless such holder has filed a motion requesting the right to perform such setoff on or before the Confirmation Date; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released, exculpated or settled pursuant to the Plan.

Release of Liens

Except as otherwise provided herein or in any contract, instrument, release or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title and interest of any holder of such mortgages, deeds of trust, Liens, pledges or other security interests shall revert to the Reorganized Company or the Disbursing Agent, as applicable.

**YOU ARE ADVISED TO CAREFULLY REVIEW AND CONSIDER THE PLAN,
INCLUDING THE RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS, AS
YOUR RIGHTS MIGHT BE AFFECTED.**

EXHIBIT 4

BALLOTS

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
Charlotte Division

In re:) Chapter 11
)
PORTRAIT INNOVATIONS, INC., et al.) Case No. 17-31455
)
Debtors.¹) (Jointly Administered)
_____)

**BALLOT FOR ACCEPTING OR REJECTING
THE DEBTORS’ JOINT CHAPTER 11 PLAN OF REORGANIZATION**

CLASS 4 — GENERAL UNSECURED CLAIMS

**PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR
COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT**

**THIS BALLOT MUST BE ACTUALLY RECEIVED BY THE CLAIMS AND
SOLICITATION AGENT BY 5:00 P.M. PREVAILING EASTERN TIME
NOVEMBER 30, 2017 (THE “VOTING DEADLINE”)**

THE DEBTORS HAVE SENT THIS BALLOT TO YOU BECAUSE OUR RECORDS INDICATE THAT YOU ARE A HOLDER OF A CLASS 4 GENERAL UNSECURED CLAIM, AND ACCORDINGLY, YOU HAVE A RIGHT TO VOTE TO ACCEPT OR REJECT THE *DEBTORS’ JOINT CHAPTER 11 PLAN OF REORGANIZATION* (THE “PLAN”). CAPITALIZED TERMS USED BUT NOT OTHERWISE DEFINED HEREIN SHALL HAVE THE MEANINGS SET FORTH IN THE PLAN OR THE *ORDER (A) APPROVING THE DISCLOSURE STATEMENT, (B) APPROVING CERTAIN DATES RELATED TO CONFIRMATION OF THE PLAN, (C) APPROVING CERTAIN VOTING PROCEDURES AND THE FORM OF CERTAIN DOCUMENTS TO BE DISTRIBUTED IN CONNECTION WITH THE SOLICITATION OF THE PLAN, AND (D) APPROVING PROPOSED VOTING AND GENERAL TABULATION PROCEDURES* (THE “DISCLOSURE STATEMENT ORDER”).

Your rights are described in the *Disclosure Statement for the Debtors’ Joint Chapter 11 Plan of Reorganization* and all exhibits related thereto (the “Disclosure Statement”). The Disclosure Statement, the Plan, the Disclosure Statement Order and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. Additionally, the Solicitation Package can be obtained by contacting the Administrative Agent² retained by the Debtors in these Chapter 11 Cases, by: **(a) (i) accessing the Administrative Agent’s website**

¹ The Debtors in these jointly administered cases are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Portrait Innovations, Inc. (9394) and Portrait Innovations Holding Company (5553). The Debtors’ address is 2016 Ayrley Town Center Boulevard, Suite 200, Charlotte, North Carolina 28273.

² The Debtors’ “Administrative Agent” is Rust Consulting/Omni Bankruptcy.

at www.omnimgt.com/PortraitInnovations; (ii) submitting a request in writing to Portrait Innovations, Inc., C/O Rust Omni, 5955 DeSoto Avenue, Suite 100, Woodland Hills, CA 91367; or (iii) by calling 818-906-8300 within the U.S. or Canada or (b) for a fee via PACER at <https://ecf.ncwb.uscourts.gov>.

The Bankruptcy Court has approved the Disclosure Statement as containing adequate information, as required under section 1125 of the Bankruptcy Code. Bankruptcy Court approval of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy Court. This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. If you believe you have received this Ballot in error, please contact the Administrative Agent at the address or telephone number set forth above.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 4 General Unsecured Claims under the Plan. If you hold Claims in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Administrative Agent does not receive your Ballot on or before the Voting Deadline, which is 5:00 p.m. prevailing Eastern Time on November 30, 2017, and if the Voting Deadline is not extended, your vote as either an acceptance or rejection of the Plan will not count.

If the Bankruptcy Court confirms the Plan, it will bind you regardless of whether you vote.

Item 1. Notice of Third-Party Releases.

PLEASE TAKE NOTICE THAT, BY VOTING TO ACCEPT THE PLAN, YOU ARE AGREEING TO GRANT THE RELEASES OF CLAIMS AGAINST CERTAIN NON-DEBTOR THIRD PARTIES (DEFINED AS THE RELEASED PARTIES IN THE PLAN) AS SET FORTH IN SECTION 9.3 OF THE PLAN. THE CONFIRMATION HEARING NOTICE YOU RECEIVED WITH THIS BALLOT INCLUDES THE NON-DEBTOR THIRD PARTY RELEASE PROVISIONS UNDER THE HEADING "CONSENSUAL THIRD-PARTY RELEASES."

Item 2. Principal Amount of Class 4 General Unsecured Claims.

The undersigned hereby certifies that as of the Voting Record Date, October 25, 2017, the undersigned was the Holder of Class 4 Claims against the Debtors in the following amount (insert amount in box below):

\$ _____

Item 3. Class 4 General Unsecured Claims Vote on the Plan.

The Holder of the Class 4 General Unsecured Claims set forth in Item 1 votes to (please check one):

ACCEPT THE PLAN

REJECT THE PLAN

ANY BALLOT THAT IS EXECUTED BY THE HOLDER OF A CLAIM OR INTEREST BUT THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN OR DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED.

Item 4. Certifications

By signing this Ballot, the undersigned certifies to the Bankruptcy Court and the Debtors:

- a. that either: (i) the Entity is the Holder of the Class 4 Claims being voted; or (ii) the Entity is an authorized signatory for an Entity that is a Holder of the Class 4 Claims being voted;
- b. that the Entity has received a copy of the Disclosure Statement and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;
- c. that the Entity has cast the same vote with respect to all Class 4 Claims; and
- d. that no other Ballots with respect to the amount of the Class 4 Claims identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claims, then any such Ballots dated earlier are hereby revoked.

Name of Holder: _____

(Print or Type)

Social Security or Federal Tax Identification Number: _____

Signature: _____

Name of Signatory: _____

(If other than Holder)

Title: _____

Address: _____

Date Completed: _____

PLEASE COMPLETE, SIGN, AND DATE THE BALLOT AND RETURN IT PROMPTLY IN THE RETURN ENVELOPE PROVIDED. THE BALLOT MAY ALSO BE SENT AS FOLLOWS:

<p>By First Class Mail To: Portrait Innovations, Inc. C/O Rust Omni 5955 DeSoto Avenue, Suite 100 Woodland Hills, CA 91367</p>	<p>By Overnight Courier or Hand-Delivery To: Portrait Innovations, Inc. C/O Rust Omni 5955 DeSoto Avenue, Suite 100 Woodland Hills, CA 91367</p>
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YOUR BALLOT MUST BE RECEIVED BY THE VOTING DEADLINE, WHICH IS 5:00 P.M. PREVAILING EASTERN TIME ON NOVEMBER 30, 2017.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtors are soliciting the votes of Holders of Claims with respect to the Plan attached as Exhibit A to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined in the ballot or these instructions shall have the meanings set forth in the Plan or the Disclosure Statement Order, copies of which also accompany the Ballot.
2. The Bankruptcy Court may confirm the Plan and thereby bind you by the terms of the Plan if, among other things, the Plan is confirmed. Please review the Disclosure Statement for more information.
3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) sign and return the Ballot to the address set forth on the enclosed pre-addressed envelope. The Voting Deadline for the receipt of Ballots by the Administrative Agent is 5:00 p.m. prevailing Eastern Time on November 30, 2017. Your completed Ballot must be received by the Administrative Agent on or before the Voting Deadline.
4. You must vote all of your Claims within a particular Class either to accept or reject the Plan and may not split your vote. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a Holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular Holder within a Class for the purpose of counting votes.
5. If a Ballot is received after the Voting Deadline, it will not be counted unless the Debtors determine otherwise. The method of delivery of Ballots to the Administrative Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided herein, such delivery will be deemed made only when the Administrative Agent actually receives the originally executed Ballot. Instead of effecting delivery by mail, it is recommended, though not required, that Holders use an overnight or hand delivery service. In all cases, Holders should allow sufficient time to assure timely delivery. Delivery of a Ballot to the Administrative Agent by facsimile, e-mail or any other electronic means shall not be valid. No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Administrative Agent), or the Debtors' financial or legal advisors and if so sent will not be counted.
6. If multiple Ballots are received from the same Holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last dated valid Ballot timely received will supersede and revoke any earlier dated Ballots.
7. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, Holders of Claims should not surrender certificates or instruments representing or evidencing their Claims, and neither the Debtors nor the Administrative Agent will accept delivery of any such certificates or instruments surrendered together with a Ballot.

8. This Ballot does not constitute, and shall not be deemed to be: (a) a Proof of Claim; or (b) an assertion or admission of a Claim.
9. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Administrative Agent, the Debtors, or the Bankruptcy Court, must submit proper evidence to the requesting party to so act on behalf of such Holder. In addition, please provide your name and mailing address if it is different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.
10. If you hold Claims in more than one Class under the Plan or in multiple accounts, you may receive more than one Ballot coded for each different Class or account. Each Ballot votes only your Claims indicated on that Ballot. Please complete and return each Ballot you received.
11. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the Holder of the Claim; (b) any Ballot cast by a Party that does not hold a Claim in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any Entity not entitled to vote pursuant to the Solicitation Procedures.
12. If you believe you have received the wrong Ballot, you should contact the Administrative Agent immediately at (818) 906-8300 within the U.S. or Canada.

PLEASE MAIL YOUR BALLOT PROMPTLY!

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE ADMINISTRATIVE AGENT AT (818) 906-8300 WITHIN THE U.S. OR CANADA.

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
Charlotte Division

In re:) Chapter 11
)
PORTRAIT INNOVATIONS, INC., et al.) Case No. 17-31455
)
Debtors.¹) (Jointly Administered)
_____)

**BALLOT FOR ACCEPTING OR REJECTING
THE DEBTORS’ JOINT CHAPTER 11 PLAN OF REORGANIZATION**

CLASS 3 — NOTEHOLDER CLAIMS

**PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS FOR
COMPLETING BALLOTS CAREFULLY BEFORE COMPLETING THE BALLOT**

**THIS BALLOT MUST BE ACTUALLY RECEIVED BY THE CLAIMS AND
SOLICITATION AGENT BY 5:00 P.M. PREVAILING EASTERN TIME
NOVEMBER 30, 2017 (THE “VOTING DEADLINE”)**

The Debtors have sent this Ballot to you because you are a Holder of a Class 3 Noteholder Claim, and accordingly, you have a right to vote to accept or reject the *Debtors’ Joint Chapter 11 Plan of Reorganization* (the “Plan”). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan or the *Order (A) Approving the Disclosure Statement, (B) Approving Certain Dates Related to Confirmation of the Plan, (C) Approving Certain Voting Procedures and the Form of Certain Documents to be Distributed in Connection with the Solicitation of the Plan, and (D) Approving Proposed Voting and General Tabulation Procedures* (the “Disclosure Statement Order”).

Your rights are described in the *Disclosure Statement for the Debtors’ Joint Chapter 11 Plan of Reorganization* and all exhibits related thereto (the “Disclosure Statement”). The Disclosure Statement, the Plan, the Disclosure Statement Order, and certain other materials contained in the Solicitation Package are included in the packet you are receiving with this Ballot. Additionally, the Solicitation Package can be obtained by contacting Rust Consulting/Omni Bankruptcy, the claims agent retained by the Debtors in these Chapter 11 Cases (the “Administrative Agent”), by: **(a) (i) accessing the Administrative Agent’s website at www.omnimgt.com/PortraitInnovations; (ii) submitting a request in writing to Portrait Innovations, Inc., C/O Rust Omni, 5955 DeSoto Avenue, Suite 100, Woodland Hills, CA**

¹ The Debtors in these jointly administered cases are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Portrait Innovations, Inc. (9394) and Portrait Innovations Holding Company (5553). The Debtors’ address is 2016 Ayrnsley Town Center Boulevard, Suite 200, Charlotte, North Carolina 28273.

91367; or (iii) by calling 818-906-8300 within the U.S. or Canada or (b) for a fee via PACER at <https://ecf.ncwb.uscourts.gov>.

The Bankruptcy Court has approved the Disclosure Statement as containing adequate information, as required under section 1125 of the Bankruptcy Code. Bankruptcy Court approval of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy Court. This Ballot may not be used for any purpose other than to vote to accept or reject the Plan. If you believe you have received this Ballot in error, please contact the Administrative Agent at the address or telephone number set forth above.

This Ballot may not be used for any purpose other than for casting votes to accept or reject the Plan and making certain designations and certifications with respect thereto.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan's classification and treatment of your Claim. Your Claim has been placed in Class 3 Noteholder Claims under the Plan. If you hold Claims in more than one Class, you will receive a Ballot for each Class in which you are entitled to vote.

If the Administrative Agent does not receive your vote on or before the Voting Deadline, which is 5:00 p.m. prevailing Eastern Time on November 30, 2017 and if the Voting Deadline is not extended, your vote as either an acceptance or rejection of the Plan will not count.

If the Bankruptcy Court confirms the Plan, it will bind you regardless of whether you vote.

Item 1. Notice of Third-Party Releases.

PLEASE TAKE NOTICE THAT, BY VOTING TO ACCEPT THE PLAN, YOU ARE AGREEING TO GRANT THE RELEASES OF CLAIMS AGAINST CERTAIN NON-DEBTOR THIRD PARTIES (DEFINED AS THE RELEASED PARTIES IN THE PLAN) AS SET FORTH IN SECTION 9.3 OF THE PLAN. THE CONFIRMATION HEARING NOTICE YOU RECEIVED WITH THIS BALLOT INCLUDES THE NON-DEBTOR THIRD PARTY RELEASE PROVISIONS UNDER THE HEADING "CONSENSUAL THIRD-PARTY RELEASES."

Item 2. Principal Amount of Class 3 Noteholder Claims.

The undersigned hereby certifies that as of the Voting Record Date, October 25, 2017, the undersigned was the Holder (or authorized signatory for a Holder) of Class 3 Claims against the Debtors in the following amount (insert amount in box below). If you do not know the amount of the Class 3 Claims held, please contact your Nominee immediately:

\$ _____

Item 3. Class 3 Noteholder Claims Vote on the Plan.

The Holder of the Class 3 Noteholder Claims set forth in Item 1 votes to (please check one):

- ACCEPT THE PLAN REJECT THE PLAN

ANY BALLOT THAT IS EXECUTED BY THE HOLDER OF A CLAIM OR INTEREST BUT THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN OR DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED.

Item 4. Certifications

By signing this Ballot, the undersigned certifies to the Bankruptcy Court and the Debtors:

- a. that either: (i) the Entity is the Holder of the Class 3 Claims being voted; or (ii) the Entity is an authorized signatory for an Entity that is a Holder of the Class 3 Claims being voted;
- b. that the Entity has received a copy of the Disclosure Statement and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;
- c. that the Entity has cast the same vote with respect to all Class 3 Claims; and
- d. that no other Ballots with respect to the amount of the Class 3 Claims identified in Item 1 have been cast or, if any other Ballots have been cast with respect to such Claims, then any such Ballots dated earlier are hereby revoked.

Name of Holder: _____

(Print or Type)

Social Security or Federal Tax Identification Number: _____

Signature: _____

Name of Signatory: _____

(If other than Holder)

Title: _____

Address: _____

Date Completed: _____

PLEASE COMPLETE, SIGN, AND DATE THE BALLOT AND RETURN IT PROMPTLY TO THE ADMINISTRATIVE AGENT BEFORE THE VOTING DEADLINE, WHICH IS 5:00 P.M. PREVAILING EASTERN TIME ON NOVEMBER 30, 2017.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtors are soliciting the votes of Holders of Claims with respect to the Plan attached as Exhibit A to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined in the ballot or these instructions shall have the meanings set forth in the Plan or the Disclosure Statement Order, copies of which also accompany the Ballot.
2. The Bankruptcy Court may confirm the Plan and thereby bind you by the terms of the Plan if, among other things, the Plan is confirmed. Please review the Disclosure Statement for more information.
3. To ensure that your vote is counted, you must: (a) complete the Ballot; (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot; and (c) sign and return the Ballot to the Claims and Solicitation Agent so that it is received by the Voting Deadline.
4. You must vote all of your Claims within a particular Class either to accept or reject the Plan and may not split your vote. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a Holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular Holder within a Class for the purpose of counting votes.
5. If Ballot is received after the Voting Deadline, it will not be counted unless the Debtors determine otherwise. Delivery of a Ballot to the Administrative Agent by facsimile, e-mail or any other electronic means shall not be valid. No Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Administrative Agent), or the Debtors' financial or legal advisors and if so sent will not be counted.
6. If multiple Ballots are received from the same Holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last dated valid Ballot timely received will supersede and revoke any earlier dated Ballots.
7. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan. Accordingly, at this time, Holders of Claims should not surrender certificates or instruments representing or evidencing their Claims, and neither the Debtors nor the Administrative Agent will accept delivery of any such certificates or instruments surrendered together with a Ballot.
8. This Ballot does not constitute, and shall not be deemed to be: (a) a Proof of Claim; or (b) an assertion or admission of a Claim.
9. Please be sure to sign and date your Ballot. If you are signing a Ballot in your capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity, you should indicate such capacity when signing and, if requested by the Administrative Agent, the Debtors, or the Bankruptcy Court, must submit proper evidence to the requesting party to so act on behalf of such Holder.

10. If you hold Claims in more than one Class under the Plan or in multiple accounts, you may receive more than one Ballot coded for each different Class or account. Each Ballot votes only your Claims indicated on that Ballot. Please complete and return each Ballot you received.
11. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the Holder of the Claim; (b) any Ballot cast by a Party that does not hold a Claim in a Class that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (e) any Ballot submitted by any Entity not entitled to vote pursuant to the Solicitation Procedures.
12. If you believe you have received the wrong Ballot, you should contact the Administrative Agent immediately at (818) 906-8300 within the U.S. or Canada.

PLEASE MAIL YOUR BALLOT PROMPTLY!

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE ADMINISTRATIVE AGENT AT (818) 906-8300 WITHIN THE U.S. OR CANADA.

EXHIBIT 5

Non-Voting Status Notice - Deemed to Accept

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
Charlotte Division

In re:) Chapter 11
)
PORTRAIT INNOVATIONS, INC., et al.) Case No. 17-31455
)
Debtors.¹) (Jointly Administered)
_____)

**NON-VOTING STATUS NOTICE
WITH RESPECT TO UNIMPAIRED CLASSES DEEMED
TO ACCEPT THE DEBTORS' JOINT CHAPTER 11 PLAN OF REORGANIZATION**

PLEASE TAKE NOTICE THAT on October __, 2017, the United States Bankruptcy Court for the Western District of North Carolina (the "Bankruptcy Court") entered an order (the "Disclosure Statement Order") that, among other things, approved the *Disclosure Statement for the Debtors' Joint Chapter 11 Plan of Reorganization* (as amended from time to time and including all exhibits and supplements thereto, the "Disclosure Statement"), as containing adequate information, as required under section 1125(a) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), and (b) authorized the above-captioned debtors and debtors in possession (collectively, the "Debtors") to solicit votes with regard to the acceptance or rejection of the *Debtors' Joint Chapter 11 Plan of Reorganization* (the "Plan").²

PLEASE TAKE FURTHER NOTICE THAT the Debtors' Disclosure Statement, Disclosure Statement Order, Plan, and other documents and materials included in the Solicitation Package may be obtained by contacting Rust Consulting/Omni Bankruptcy, the claims agent retained by the Debtors in these Chapter 11 Cases (the "Administrative Agent"), by: (a) (i) **accessing the Administrative Agent's website at www.omnimgt.com/PortraitInnovations; (ii) submitting a request in writing to Portrait Innovations, Inc., C/O Rust Omni, 5955 DeSoto Avenue, Suite 100, Woodland Hills, CA 91367; or (iii) by calling 818-906-8300 within the U.S. or Canada or (b) for a fee via PACER at <https://ecf.ncwb.uscourts.gov>.**

PLEASE TAKE FURTHER NOTICE THAT you are receiving this notice because, under the terms of Articles II and/or III of the Plan your Claim(s) against the Debtors are Unimpaired and, therefore, pursuant to section 1126(f) of the Bankruptcy Code, you are deemed to have accepted the Plan and are, therefore, not entitled to vote on the Plan. Accordingly, this notice and the *Notice of (A) the Solicitation and Voting Procedures and (B) the Objection*

¹ The Debtors in these jointly administered cases are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Portrait Innovations, Inc. (9394) and Portrait Innovations Holding Company (5553). The Debtors' address is 2016 Ayrley Town Center Boulevard, Suite 200, Charlotte, North Carolina 28273.

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

Deadline and Confirmation Hearing with Respect to the Debtors' Joint Chapter 11 Plan are being sent to you for informational purposes only.

PLEASE TAKE FURTHER NOTICE THAT if you have any questions about the status of any of your Claim(s) or Interest(s), you should contact the Debtors' Administrative Agent in accordance with the instructions provided above.

EXHIBIT 6

Non-Voting Status Notice - Deemed to Reject

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
Charlotte Division

In re:) Chapter 11
)
PORTRAIT INNOVATIONS, INC., et al.) Case No. 17-31455
)
Debtors.¹) (Jointly Administered)
_____)

**NON-VOTING STATUS NOTICE
WITH RESPECT TO IMPAIRED CLASSES DEEMED
TO REJECT THE DEBTORS’ JOINT CHAPTER 11 PLAN OF REORGANIZATION**

PLEASE TAKE NOTICE THAT on October __, 2017, the United States Bankruptcy Court for the Western District of North Carolina (the “Bankruptcy Court”) entered an order (the “Disclosure Statement Order”) that, among other things, approved the *Disclosure Statement for the Debtors’ Joint Chapter 11 Plan of Reorganization* (as amended from time to time and including all exhibits and supplements thereto, the “Disclosure Statement”), as containing adequate information, as required under section 1125(a) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), and (b) authorized the above-captioned debtors and debtors in possession (collectively, the “Debtors”) to solicit votes with regard to the acceptance or rejection of the *Debtors’ Joint Chapter 11 Plan of Reorganization* (the “Plan”).²

PLEASE TAKE FURTHER NOTICE THAT the Debtors’ Disclosure Statement, Disclosure Statement Order, Plan, and other documents and materials included in the Solicitation Package may be obtained by contacting Rust Consulting/Omni Bankruptcy, the claims agent retained by the Debtors in these Chapter 11 Cases (the “Administrative Agent”), by: **(a) (i) accessing the Administrative Agent’s website at www.omnimgt.com/PortraitInnovations; (ii) submitting a request in writing to Portrait Innovations, Inc., C/O Rust Omni, 5955 DeSoto Avenue, Suite 100, Woodland Hills, CA 91367; or (iii) by calling 818-906-8300 within the U.S. or Canada or (b) for a fee via PACER at <https://ecf.ncwb.uscourts.gov>.**

PLEASE TAKE FURTHER NOTICE THAT you are receiving this notice because, under the terms of Article III of the Plan your Claim(s) against the Debtors are Impaired and, pursuant to section 1126(g) of the Bankruptcy Code, you are conclusively presumed to have rejected the Plan and are, therefore, not entitled to vote on the Plan. Accordingly, this notice and the *Notice of (A) the Solicitation and Voting Procedures and (B) the Objection Deadline and Confirmation Hearing with Respect to the Debtors’ Joint Chapter 11 Plan* are being sent to you for informational purposes only.

¹ The Debtors in these jointly administered cases are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Portrait Innovations, Inc. (9394) and Portrait Innovations Holding Company (5553). The Debtors’ address is 2016 Ayrley Town Center Boulevard, Suite 200, Charlotte, North Carolina 28273.

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

EXHIBIT 7

Non-Voting Status Notice - Disputed

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
Charlotte Division

In re:) Chapter 11
)
PORTRAIT INNOVATIONS, INC., et al.) Case No. 17-31455
)
Debtors.¹) (Jointly Administered)
_____)

NON-VOTING STATUS NOTICE WITH RESPECT TO DISPUTED CLAIMS

PLEASE TAKE NOTICE THAT on October __, 2017, the United States Bankruptcy Court for the Western District of North Carolina (the “Bankruptcy Court”) entered an order (the “Disclosure Statement Order”) that, among other things, approved the *Disclosure Statement for the Debtors’ Joint Chapter 11 Plan of Reorganization* (as amended from time to time and including all exhibits and supplements thereto, the “Disclosure Statement”), as containing adequate information, as required under section 1125(a) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), and (b) authorized the above-captioned debtors and debtors in possession (collectively, the “Debtors”) to solicit votes with regard to the acceptance or rejection of the *Debtors’ Joint Chapter 11 Plan of Reorganization* (the “Plan”).²

PLEASE TAKE FURTHER NOTICE THAT the Debtors’ Disclosure Statement, Disclosure Statement Order, Plan, and other documents and materials included in the Solicitation Package may be obtained by contacting Rust Consulting/Omni Bankruptcy, the claims agent retained by the Debtors in these Chapter 11 Cases (the “Administrative Agent”), by: **(a) (i) accessing the Administrative Agent’s website at www.omnimgt.com/PortraitInnovations; (ii) submitting a request in writing to Portrait Innovations, Inc., C/O Rust Omni, 5955 DeSoto Avenue, Suite 100, Woodland Hills, CA 91367; or (iii) by calling 818-906-8300 within the U.S. or Canada or (b) for a fee via PACER at <https://ecf.ncwb.uscourts.gov>.**

PLEASE TAKE FURTHER NOTICE THAT you are receiving this notice because you are the Holder of a Claim that is subject to a pending objection by the Debtors. You are not entitled to vote on the Debtors’ Plan; provided, that if the Debtors objected to only a portion of your Claim, such Claim may be voted in the undisputed amount. You cannot vote any disputed portion of its Claim unless one or more of the following has taken place at least six business days before the Voting Deadline (each, a “Resolution Event”):

¹ The Debtors in these jointly administered cases are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Portrait Innovations, Inc. (9394) and Portrait Innovations Holding Company (5553). The Debtors’ address is 2016 Ayrley Town Center Boulevard, Suite 200, Charlotte, North Carolina 28273.

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

- a. an order of the Bankruptcy Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing;
- b. an order of the Bankruptcy Court is entered temporarily allowing such Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing;
- c. a stipulation or other agreement is executed between the Holder of such Claim and the Debtors resolving the objection and allowing such Claim in an agreed upon amount;
- d. a stipulation or other agreement is executed between the Holder of such Claim and the Debtors temporarily allowing the Holder of such Claim to vote its Claim in an agreed upon amount; or
- e. the pending objection to such Claim is voluntarily withdrawn.

Accordingly, this notice and the *Notice of (A) the Solicitation and Voting Procedures and (B) the Objection Deadline and Confirmation Hearing with Respect to the Debtors' Joint Chapter 11 Plan* are being sent to you for informational purposes only.

PLEASE TAKE FURTHER NOTICE THAT if a Resolution Event occurs, then no later than two business days thereafter, the Administrative Agent shall distribute a Ballot and a pre-addressed, postage pre-paid envelope to you, which must be returned to the Administrative Agent no later than the Voting Deadline, which is **5:00 p.m. prevailing Eastern time on November 30, 2017.**

PLEASE TAKE FURTHER NOTICE THAT if you have any questions about the status of any of your Claims, you should contact the Debtors' Administrative Agent in accordance with the instructions provided above.