

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

IN RE:

PORTRAIT INNOVATIONS, INC, et al.,  
  
Debtors.<sup>1</sup>

Chapter 11

Case No. 17-31455

(Jointly Administered)

**NOTICE OF OCCURRENCE OF EFFECTIVE DATE, FEE APPLICATION  
PROCEDURES, ADMINISTRATIVE CLAIMS BAR DATE AND  
BAR DATE FOR REJECTED CONTRACTS AND LEASES**

**Confirmation of the Plan.** The United States Bankruptcy Court for the Western District of North Carolina (the “Bankruptcy Court”) entered its Findings of Fact, Conclusions of Law, and Order Confirming Debtors’ Second Amended Joint Chapter 11 Plan of Reorganization [Docket No. 284] (the “Confirmation Order”) on December 11, 2017 (the “Confirmation Date”).

**Effective Date.** The Effective Date of the Debtors’ Second Amended Joint Chapter 11 Plan of Reorganization [Docket No. 276] (the “Plan”) occurred on December 31, 2017.<sup>2</sup> The Plan and Confirmation Order bind the Debtors, the Reorganized Company, the Debtors’ Estates, all Creditors of the Debtors, all Holders of Interests, the Committee and any other parties in interest whether or not such parties are impaired and whether or not such parties have accepted the Plan, subject to retention and preservation of rights, Causes of Actions and defenses in the Plan and Confirmation Order.

**Injunction.** All Entities are 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 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

---

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

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meaning given to them in the Plan.

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.

**Professional Claims.** Pursuant to Section 2.3 of the Plan and Paragraph 132 of the Confirmation Order, to the extent not previously paid during the Chapter 11 Cases, all requests for payment of Professional Claims (including, without limitation, all final applications for Professional Fee Claims) must be filed with the Bankruptcy Court no later than forty-five (45) days after the Effective Date (**February 14, 2018**). The Bankruptcy Court shall determine the Allowed amounts of such Professional Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, or order of the Bankruptcy Court. The Disbursing Agent shall pay Professional Claims in Cash in the amount allowed by the Court within three (3) days of allowance. From and after the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Company, Debtors, and the Disbursing Agent may employ and pay any Professional in the ordinary course of business without any further notice to, or action, order, or approval of, the Bankruptcy Court.

**Administrative Bar Date.** Pursuant to Section 2.2 of the Plan and Paragraph 131 of the Confirmation Order, any request for allowance and payment of Administrative Claims (other than Professional Claims and Claims for fees and expenses pursuant to 28 U.S.C. § 1930 or Claims regarding Unexpired Leases to be assumed hereunder) arising or accruing on or after September 1, 2017 through the Effective Date, must be filed with the Bankruptcy Court no later than thirty (30) days after the Effective Date (**January 30, 2018**) or otherwise be forever barred, estopped, and enjoined from asserting such Administrative Claim against the Debtors and Reorganized Company and their respective Estates and property, the Winning Bidder, the Disbursing Agent, or otherwise, and such Administrative Expense Claim shall be deemed discharged as of the Effective Date. Please note that, notwithstanding the foregoing, in accordance with §3.1 of the Plan, any Allowed Administrative Claim for goods sold or services rendered to the Debtors in the ordinary course of the Debtors' business during the pendency of these Chapter 11 Cases involving trade or vendor claims, and any amounts necessary to pay cure amounts for executory contract and unexpired leases that are assumed under 11 U.S.C. § 365 under the Plan, shall be paid in the ordinary course of the Debtors' business, and filing of a claim for an Administrative Expense is not necessary in such cases.

**Bar Date for Claims Based on Rejection of Executory Contracts and Unexpired Leases under the Plan.** Pursuant to Section 6.4 of the Plan and Paragraph 105 of the Confirmation Order, unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting Claims arising from the rejection of Executory Contracts and Unexpired Leases pursuant to the Plan must be filed with the Claims and Solicitation Agent no later than thirty (30) days after the later of (a) the Effective Date and (b) the date of entry of an order of the Bankruptcy Court authorizing rejection of such executory contract or unexpired lease. Such Proof of Claim must be either filed at the following address: [www.omnimgt.com/PortraitInnovations](http://www.omnimgt.com/PortraitInnovations), or by submitting an original Proof of Claim to the Claims and Solicitation Agent at the following address:

Portrait Innovations, Inc.  
C/O Rust Omni  
5955 DeSoto Avenue, Suite 100  
Woodland Hills, CA 91367

Any rejection damages Claim represented by an untimely Proof of Claim shall: (i) be disallowed without the need for any further notice to, or action, order, or approval of, the Bankruptcy Court; (ii) be forever barred, estopped, and enjoined from assertion; (iii) not be enforceable against the Debtors, the

Reorganized Company, the Disbursing Agent or the General Unsecured Claims Ombudsman; and (iv) be deemed fully satisfied, released, and discharged notwithstanding anything in a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of Executory Contracts and Unexpired Leases shall be classified as Class 4 - General Unsecured Claims against the applicable Debtor counterparty thereto.

This the 3rd day of January, 2018.

RAYBURN COOPER & DURHAM, P.A.

By: /s/ John R. Miller, Jr  
John R. Miller, Jr.  
N.C. State Bar No. 28689  
Matthew L. Tomsic  
N.C. State Bar No. 52431  
Suite 1200, The Carillon  
227 West Trade Street  
Charlotte, NC 28202  
(704) 334-0891  
E-mail: [jmiller@rcdlaw.net](mailto:jmiller@rcdlaw.net)  
[mtomsic@rcdlaw.net](mailto:mtomsic@rcdlaw.net)

*Counsel for Debtors and Debtors-in-Possession*