

LOWENSTEIN SANDLER PC

Kenneth A. Rosen (KR 4963)
Paul Kizel (PK 4176)
Jeffrey D. Prol (JP 7454)
Suzanne Iazzetta (SI 2116)
65 Livingston Avenue
Roseland, New Jersey 07068
Telephone: (973) 597-2500
Facsimile: (973) 597-2400

Proposed Counsel to the Debtors
and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

THE NEWARK GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 10-27694 (NLW)

Jointly Administered

Hearing Date: June 10, 2010

**APPLICATION OF THE DEBTORS FOR AN ORDER PURSUANT TO
28 U.S.C. § 156(c) AUTHORIZING THE DEBTORS TO RETAIN AND EMPLOY
KURTZMAN CARSON CONSULTANTS LLC AS NOTICE, BALLOTING AND
VOTING AGENT FOR THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE**

The Newark Group, Inc., *et al.*, as debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), by and through their proposed undersigned counsel, hereby submit this application (the “**Application**”) seeking entry of an order, filed contemporaneously herewith, pursuant to section 156(c) of title 28 of the United States Code, authorizing the Debtors to retain and employ Kurtzman Carson Consultants LLC (“**KCC**”) as notice, balloting and voting agent for their bankruptcy cases. In support of this

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: The Newark Group, Inc. (4844), Jackson Drive Corp. (4573), and NP Cogen, Inc. (9626).



Application, the Debtors rely upon and incorporate by reference the Declaration of Albert H. Kass (the “**Kass Declaration**”), filed contemporaneously herewith. In further support of this Application, the Debtors respectfully represent as follows:

JURISDICTION, VENUE AND STATUTORY PREDICATE

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b).
2. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory predicate for the relief requested herein is 28 U.S.C. § 156(c).

BACKGROUND

4. On the date hereof (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (collectively, the “**Chapter 11 Cases**”).
5. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.
6. As of the filing of this Application, no trustee, examiner or committee has been requested or appointed in any of these Chapter 11 Cases.
7. Concurrently with the filing of this Application, the Debtors have requested procedural consolidation and joint administration of these Chapter 11 Cases.
8. As set forth in the Declaration of Robert H. Mullen in Support of Chapter 11 Petitions and Various First Day Applications and Motions (the “**Mullen Declaration**”) filed contemporaneously herewith, The Newark Group, Inc. (“**The Newark Group**” or “**Company**”), along with its Non-Debtor Affiliates² (collectively, “**TNG Global**”), operates as an integrated

² Capitalized terms not herein defined will have the meaning ascribed to them in the Plan.

global producer of 100% recycled paperboard and paperboard products with significant manufacturing and marketing operations in North America and Europe. Primarily, the Company manufactures industrial converting grades of paperboard, core-board, and coated and uncoated folding carton board, and is among the largest producers of these grades in North America. The Newark Group is a major North American producer of tubes, cores and allied products, and is a leading producer of laminated products and graphicboard in both North America and Europe. The Newark Group also collects, trades and processes recovered paper in North America and believes that it is among the six largest competitors in this industry. The Newark Group supplies its products to the paper, packaging, stationery, book printing, construction, plastic film, furniture and game industries.

9. The Company owns or leases 40 active manufacturing and other facilities throughout the United States, including recovered paper plants, paperboard mills, and converting plants.³ The Debtors employ approximately 1920 employees, a significant number of whom are covered by labor agreements.

10. For the fiscal year that ended April 30, 2008, TNG Global recorded consolidated revenues of approximately \$1 billion, resulting in a net loss of approximately \$19.7 million. The Newark Group generated approximately 78% of these revenues. In fiscal year 2009, TNG Global's revenues decreased to approximately \$808.7 million and its loss increased to approximately \$166.7 million. The Newark Group was responsible for approximately 77% of 2009 revenues. In fiscal year 2010, TNG Global generated approximately \$723 million in revenues, and experienced a net loss of approximately \$32 million. The Newark Group was responsible for approximately 76% of 2010 revenues.

³ In addition to active facilities, the Debtors own seven facilities that were formerly operated as paper mill plants.

11. The Debtors' business is operationally sound. However, due to the severe downturn of the economy in the United States and abroad, the Debtors sales volume and borrowing base declined substantially, especially in late 2008 and 2009, which caused liquidity issues and the inability to service all of their funded debt obligations.

12. In response to these liquidity issues, the Debtors engaged in discussions and negotiations which resulted in the formulation of the Joint Prepackaged Plan of Reorganization dated May 7, 2010 (the "**Plan**") that significantly reduces their debt and which has the support of each and every impaired class of claims and interests.

13. Prior to the Petition Date, the Debtors, using KCC as their balloting agent, solicited votes in connection with the Plan. The Debtors filed these Chapter 11 Cases to implement and obtain Court approval of the Plan.

14. For a more fully detailed description of the Debtors, their operations, their capital structure and the events leading to the filing of these Chapter 11 Cases, the Debtors respectfully refer the Court to the Mullen Declaration.

15. The number of creditors and other potential parties-in-interest involved in these Chapter 11 Cases may impose heavy administrative and other burdens on the Court and the Office of the Clerk of the United States Bankruptcy Court for the District of New Jersey (the "**Clerk's Office**"). To relieve the Court and the Clerk's Office of these burdens, the Debtors seek an order authorizing the Debtors to retain and employ KCC as notice, balloting and voting agent in these Chapter 11 Cases to assist the Debtors, the Court, and the Clerk's Office, as necessary, in distributing notices and undertaking other administrative tasks pertaining to these Chapter 11 Cases.

RELIEF REQUESTED

16. By this Application, the Debtors seek an order, pursuant to section 156(c) of title 28 of the United States Code, authorizing the Debtors to retain and employ KCC as their notice, balloting and voting agent in these Chapter 11 Cases in accordance with the terms and conditions set forth in that certain KCC Agreement for Services dated as of April 1, 2010, by and between the Debtors and KCC (the "**Engagement Letter**"), a copy of which is annexed as Exhibit 1 to Kass Declaration and is incorporated by reference herein.

KCC'S QUALIFICATIONS

17. The Debtors believe that KCC is well-qualified to serve in the capacity as notice, balloting and voting agent based on both its experience and the competitiveness of its fees. KCC is one of the country's leading chapter 11 administrators, with experience in noticing, claims administration, solicitation, balloting, and facilitating other administrative aspects of chapter 11 cases. KCC has substantial experience in the matters of this size and complexity, and has acted as the official notice and claims agent in many large bankruptcy cases pending in this district and other districts nationwide. *See, e.g., In re Adamar of New Jersey, Inc.*, Case No. 09-20711 (JHW) (Bankr. D.N.J. May 1, 2009); *In re Tarragon Corporation*, Case No. 09-10555 (Bankr. D.N.J. January 12, 2009); *In re Bayonne Medical Center*, Case No. 07-15195 (MS) (Bankr. D.N.J. April 17, 2007); *In re EnviroSolutions of New York, LLC, et al.*, Case No. 10-11236 (SMB) (Bankr. S.D.N.Y. Mar. 10, 2010); *In re Penton Business Media Holdings, Inc.*, Case No. 10-10689 (AJG) (Bankr. S.D.N.Y. Feb. 10, 2010); *In re Uno Restaurant Holdings Corp.*, Case No. 10-10209 (MG) (Bankr. S.D.N.Y. Jan. 20, 2010); *In re International Aluminum Corporation*, Case No. 10-10003 (Bankr. D. Del. January 6, 2010); *In re Specialty Packaging Holdings, Inc.*, Case No. 10-10142 (Bankr. D. Del. January 21, 2010); *In re Magic Brands, LLC*,

et al., Case No. 10-11310 (Bankr. D. Del. April 21, 2010); *In re Regent Communications, Inc.*, Case No. 10-10632 (Bankr. D. Del. March 1, 2010); *In re Morris Publishing Group LLC*, Case No. 10-10134 (Bankr. S.D. Ga. January 19, 2010); *In re Bosque Power Company, LLC*, Case No. 10-60348 (Bankr. W.D. Tex. March 24, 2010); *In re Black Gaming, LLC*, Case No. 10-13301 (Bankr. D. Nev. March 1, 2010); *In re Movie Gallery, Inc., et al.*, Case No. 10-30696 (Bankr. E.D. Va. February 2, 2010); *In re Fleetwood Enterprises, Inc.*, Case No. 09-14254 (Bankr. C.D. Cal. March 10, 2009).

SERVICES TO BE PROVIDED

18. The Debtors anticipate that KCC will perform some or all of the following services, among others, at the request of the Debtors, the Court, or the Clerk's Office:

- (a) serve copies of any notices, motions or other pleadings as requested by the Debtors or their counsel;
- (b) file with the Clerk an affidavit or certificate of service which includes a copy of the notice, motion or other pleading, a list of persons to whom it was mailed (in alphabetical order), and the date it was mailed, within 5 days of service;
- (c) assist with, among other things, solicitation, calculation, and tabulation of votes and distribution, as required in furtherance of confirmation of a plan;
- (d) establish and maintain a public access web site setting forth pertinent case information and documents relating to these Chapter 11 Cases where parties can view pleadings or other documents filed with the Court by the Debtors or other parties without charge during regular business hours;
- (e) promptly comply with such further conditions and requirements as the Clerk's Office or the Court may prescribe;
- (f) comply with applicable federal, state, municipal and local statutes, ordinances, rules, regulations, orders and other requirements;

- (g) provide such other claims processing, noticing, and administrative services as may be requested from time to time by the Debtors; and
- (h) at the close of the cases, box and transport all original documents in proper format, as provided by the Clerk's office, to the Federal Records Center.

19. In addition, the Debtors may utilize other services offered by KCC such as disbursing and other related administrative services that may be requested by the Debtors, including, but not limited to, assisting the Debtors with the preparation of master creditor lists and any amendments thereto, and, to the extent necessary, gathering data in conjunction with the preparation of the Debtors' schedules.

PROFESSIONAL COMPENSATION

20. The Debtors propose to retain and compensate KCC on the terms and conditions set forth in the Engagement Letter. The Debtors believe that the rates negotiated with KCC are reasonable and appropriate for the services to be rendered during these Chapter 11 Cases. Prior to retaining KCC, the Debtors solicited proposals from other firms that provide comparable services and believe that KCC's rate structure is more than reasonable in light of its experience and reputation for handling large chapter 11 cases.

21. The Debtors also propose that the cost of KCC's services be paid from the Debtors' estates pursuant to section 156(c) of title 28 of the United States Code and section 503(b)(1)(A) of the Bankruptcy Code. Moreover, the Debtors believe that the fees and expenses incurred by KCC are administrative in nature and should not be subject to the standard fee application procedures for professionals. As such, the Debtors request authority to compensate KCC in accordance with the terms and conditions set forth in the Engagement Letter, upon KCC's submission to the Debtors of invoices summarizing in reasonable detail the services

rendered and expenses incurred in connection with services provided by KCC to the Debtors. In case of a dispute regarding the invoice amount, the Debtors will give written notice to KCC within ten (10) days of the receipt of the invoice by the Debtors. In such an event, the Debtors will remit to KCC only the undisputed portion of the invoice and, if applicable, will pay the remainder to KCC upon the resolution of the disputed portion, as mandated by this Court. Notwithstanding the foregoing, KCC may require prepayment from the Debtors under certain circumstances as set forth in the Engagement Letter.

22. Additionally, under the terms of the Engagement Letter, the Debtors have agreed to indemnify and hold harmless KCC, its affiliates, members, directors, officers, employees, consultants, subcontractors, and agents from and against any and all losses resulting from their performance under the Engagement Letter. Such indemnification shall exclude, however, losses resulting from KCC's gross negligence or willful misconduct. The Debtors believe that such an indemnification obligation is customary, reasonable, and necessary to retain the services of a notice, balloting and voting agent in these Chapter 11 Cases.

23. KCC will comply with all requests of the Clerk's Office and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c).

KCC'S DISINTERESTEDNESS

24. The Debtors have many creditors and, accordingly, KCC may have rendered and may continue to render services to certain of these creditors. KCC has not and will not represent the separate interests of any such creditor in these cases. Additionally, KCC's employees may, in the ordinary course of their personal affairs, have relationships with certain creditors of the Debtors. For example, one or more of KCC's employees may have obligations outstanding with

financial institutions that are creditors of the Debtors.

25. Although the Debtors do not propose to employ KCC under section 327 of the Bankruptcy Code, to the best of the Debtors' knowledge, information, and belief, and except as disclosed in the Kass Declaration or as stated herein, the employees of KCC have no relationship to the Debtors, their creditors, or the United States Trustee for the District of New Jersey. In the Kass Declaration, KCC has represented that it neither holds nor represents any interest materially adverse to the Debtors' estates in connection with any matter on which it would be employed and that it is a "disinterested person," as referenced in section 327(a) of the Bankruptcy Code and as defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code. KCC will supplement its disclosure to the Court if any facts or circumstances are discovered that would require such disclosure.

26. KCC has informed the Debtors that it will not employ any past or present employee of the Debtors for work that involves the Debtors' Chapter 11 Cases.

27. In connection with its retention as notice, balloting and voting agent, KCC represents, among other things, that:

- (a) KCC will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the notice, balloting and voting agent in these Chapter 11 Cases;
- (b) By accepting employment in these Chapter 11 Cases, KCC waives any rights to receive compensation from the United States government;
- (c) In its capacity as the notice, balloting and voting agent in these Chapter 11 Cases, KCC will not be an agent of the United States and will not act on behalf of the United States; and
- (d) KCC will not employ any past or present employees of the Debtors in connection with its work as the notice, balloting and voting agent in these Chapter 11 Cases.

BASIS FOR RELIEF REQUESTED

28. Bankruptcy Rule 2002 describes certain notices that must be provided to creditors and other parties in interest in bankruptcy cases. Under Bankruptcy Rule 2002(a) and 2002(f), the Court may direct that a person other than the Clerk of the Court provide notice of the various matters described therein.⁴

29. Section 156(c) of the title 28 of the United States Code, which governs the staffing and expenses of a bankruptcy court, authorizes the Court to use “facilities” or “services” other than the Clerk's Office for administration of bankruptcy cases. It states:

Any court may utilize facilities or services, either on or off the court's premises, which pertain to the provision of notices, dockets, calendars, and other administrative information to parties in cases filed under the provisions of title 11, United States Code, where the costs of such facilities or services are paid for out of the assets of the estate and are not charged to the United States. The utilization of such facilities or service shall be subject to such conditions and limitations as the pertinent circuit council may prescribe.

28 U.S.C. 156(c).

30. The Debtors believe that the retention of KCC is in their best interest and the best interests of their estates, creditors, and other parties-in-interest, and therefore, the Debtors desire to retain and to employ KCC as their notice, balloting and voting agent upon the terms set forth herein and in the Engagement Agreement. The Debtors respectfully submit that the Court should authorize the retention of KCC as the Debtors’ notice, balloting and voting agent pursuant to 28 U.S.C. § 156(c) and relieve the Court and the Clerk’s Office of the heavy administrative burdens

⁴ Bankruptcy Rule 2002(a) provides that “the clerk, or some other person as the court may direct, shall give . . . at least 20 days’ notice by mail of: (1) the meeting of creditors under § 341 or § 1104(b) of the Code. . . .” Bankruptcy Rule 2002(f) provides that “the clerk, or some other person as the court may direct, shall give . . . notice by mail of: (1) the order for relief. . . .”

anticipated during these Chapter 11 Cases.

WAIVER OF MEMORANDUM OF LAW

31. Because the legal points and authorities upon which this Application relies are incorporated herein and do not raise any novel issues of law, the Debtors respectfully request that the requirement of the service and filing of a separate memorandum of law pursuant to Local Rule 9013-2 be deemed waived.

NOTICE

32. Notice of this Application has been provided by facsimile, electronic transmission, overnight delivery or hand delivery to:

- a. Creditors (or their counsel, if known) holding the twenty (20) largest unsecured claims against the Debtors, as set forth in the Debtors' bankruptcy petitions;
- b. Counsel to the Coalition of Prepetition Noteholders;
- c. Counsel to the ABL DIP Facility Administrative Agent;
- d. Counsel to the ABL Exit Facility Administrative Agent;
- e. Counsel to the ORIX DIP Facility Agent;
- f. Counsel to the ORIX Exit Facility Agent;
- g. Counsel to the Prepetition ABL Administrative Agent;
- h. Counsel to the Prepetition CL Administrative Agent;
- i. Counsel to the Prepetition Indenture Trustee;
- j. Von Zuben and his counsel;
- k. The ESOP Trustees;
- l. The ESOP Independent Fiduciary and its counsel;
- m. The Office of the United States Trustee for the District of New Jersey;

- n. The Office of the United States Attorney for the District of New Jersey;
 - o. The Internal Revenue Service; and
 - p. Any entity that has filed a notice of appearance in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002.
33. In light of the nature of the relief requested, the Debtors submit that no other or further notice is necessary.

NO PRIOR REQUEST

34. No prior request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE, the Debtors respectfully request that this Court: (a) enter an order, in the form submitted herewith, granting the relief requested herein; and (b) grant to the Debtors such other and further relief as the Court may deem proper.

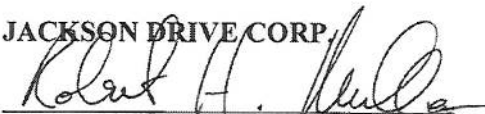
Dated: June 9, 2010

THE NEWARK GROUP, INC.



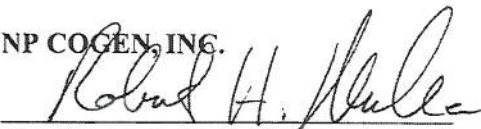
By: Robert H. Mullen
Its: President

JACKSON DRIVE CORP.



By: Robert H. Mullen
Its: President

NP COGEN, INC.



By: Robert H. Mullen
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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

THE NEWARK GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 10-27694 (NLW)

Jointly Administered

Hearing Date: June 10, 2010

**DECLARATION OF ALBERT H. KASS IN SUPPORT OF APPLICATION OF THE
DEBTORS FOR AN ORDER PURSUANT TO 28 U.S.C. § 156(c) AUTHORIZING THE
DEBTORS TO RETAIN AND EMPLOY KURTZMAN CARSON CONSULTANTS LLC
AS NOTICE, BALLOTING AND VOTING AGENT FOR THE DEBTORS
NUNC PRO TUNC TO THE PETITION DATE**

I, Albert H. Kass, being duly sworn, state the following under penalty of perjury:

1. I am the Vice President of Corporate Restructuring Services of Kurtzman Carson Consultants LLC (“**KCC**”), whose offices are located at 2335 Alaska Avenue, El Segundo, California 90245.

2. I submit this Declaration in support of the application (the “**Application**”) of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: The Newark Group, Inc. (4844), Jackson Drive Corp. (4573), and NP Cogen, Inc. (9626).

authorization pursuant to section 156(c) of the Bankruptcy Code to employ and retain KCC as notice, balloting and voting agent in connection with these Chapter 11 Cases.² Except as otherwise noted, I have personal knowledge of the matters set forth herein.

3. As agent and custodian of the Court records pursuant to 28 U.S.C. § 156(c), KCC will perform, at the request of the Office of the Clerk of the Court (the “**Clerk’s Office**”), the noticing and claims related services specified in the Application. In addition, at the Debtors’ request, KCC will perform such other noticing, claims, balloting, technical and support services specified in the Application.

4. KCC is one of the country’s leading chapter 11 administrators, with experience in noticing, claims administration, solicitation, balloting and facilitating other administrative aspects of chapter 11 cases. KCC has substantial experience in the matters of this size and complexity, and has acted as the official notice and claims agent in many large bankruptcy cases pending in this district and other districts nationwide. *See, e.g., In re Adamar of New Jersey, Inc.*, Case No. 09-20711 (JHW) (Bankr. D.N.J. May 1, 2009); *In re Tarragon Corporation*, Case No. 09-10555 (Bankr. D.N.J. January 12, 2009); *In re Bayonne Medical Center*, Case No. 07-15195 (MS) (Bankr. D.N.J. April 17, 2007); *In re EnviroSolutions of New York, LLC, et al.*, Case No. 10-11236 (SMB) (Bankr. S.D.N.Y. Mar. 10, 2010); *In re Penton Business Media Holdings, Inc.*, Case No. 10-10689 (AJG) (Bankr. S.D.N.Y. Feb. 10, 2010); *In re Uno Restaurant Holdings Corp.*, Case No. 10-10209 (MG) (Bankr. S.D.N.Y. Jan. 20, 2010); *In re International Aluminum Corporation*, Case No. 10-10003 (Bankr. D. Del. January 6, 2010); *In re Specialty Packaging Holdings, Inc.*, Case No. 10-10142 (Bankr. D. Del. January 21, 2010); *In re Magic Brands, LLC, et al.*, Case No. 10-11310 (Bankr. D. Del. April 21, 2010); *In re Regent Communications, Inc.*,

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

Case No. 10-10632 (Bankr. D. Del. March 1, 2010); *In re Morris Publishing Group LLC*, Case No. 10-10134 (Bankr. S.D. Ga. January 19, 2010); *In re Bosque Power Company, LLC*, Case No. 10-60348 (Bankr. W.D. Tex. March 24, 2010); *In re Black Gaming, LLC*, Case No. 10-13301 (Bankr. D. Nev. March 1, 2010); *In re Movie Gallery, Inc., et al.*, Case No. 10-30696 (Bankr. E.D. Va. February 2, 2010); *In re Fleetwood Enterprises, Inc.*, Case No. 09-14254 (Bankr. C.D. Cal. March 10, 2009).

5. KCC represents, among other things, the following:
 - (a) KCC is not a creditor of the Debtors;
 - (b) KCC will not consider itself employed by the United States government;
 - (c) Shall not seek any compensation from the United States government in its capacity as the notice, balloting and voting agent in these Chapter 11 Cases;
 - (d) By accepting employment in these Chapter 11 Cases, KCC waives any rights to receive compensation from the United States government;
 - (e) In its capacity as the notice, balloting and voting agent in these Chapter 11 Cases, KCC will not be an agent of the United States and will not act on behalf of the United States;
 - (f) KCC will not employ any past or present employees of the Debtors in connection with its work as the notice, balloting and voting agent in these Chapter 11 Cases;
 - (g) In its capacity as notice, balloting and voting agent in these Chapter 11 Cases, KCC will not intentionally misrepresent any fact to any person;
 - (h) KCC shall be under the supervision and control of the Clerk's Office with respect to the receipt and recordation of claims and claim transfers; and
 - (i) None of the services provided by KCC as notice, balloting and voting agent shall be at the expense of the Clerk's Office.

6. To the best of my knowledge, neither KCC nor any of its personnel have any relationship with the Debtors that would impair KCC's ability to serve as notice, balloting and voting agent. The Debtors have many creditors, and accordingly, KCC may have rendered and

may continue to render services to certain of these creditors. KCC has not and will not represent the separate interests of any such creditor in these cases. Additionally, KCC employees may, in the ordinary course of their personal affairs, have relationships with certain creditors of the Debtors. For example, one or more of KCC's employees may have obligations outstanding with financial institutions that are creditors of the Debtors.

7. KCC is an indirect subsidiary of Computershare Limited. Computershare Limited is a financial services and technologies provider for the global securities industry. Within the Computershare corporate structure, KCC operates as a separate, segregated business unit. As such, any relationships that Computershare Limited and its affiliates maintain do not create an interest of KCC that would be materially adverse to the Debtors' estate or any class of creditors or equity security holders. Administar, a claims and noticing agent, is also an indirect subsidiary of Computershare Limited. On June 10, 2009, the marketing and operation of Administar's restructuring services were consolidated under KCC.

8. To the best of my knowledge and except as disclosed herein, KCC neither holds nor represents any interest materially adverse to the Debtors' estates in connection with any matter on which it would be employed and that it is a "disinterested person," as referenced in section 327(a) of the Bankruptcy Code and as defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code. KCC will supplement its disclosure to the Court if any facts or circumstances are discovered that would require disclosure.

9. The Engagement Letter, annexed as Exhibit 1 hereto, sets forth the terms and conditions by which KCC will render services to the Debtors during their Chapter 11 Cases. The proposed terms and conditions of KCC's engagement as set forth in the Engagement Letter are consistent with, and typical of, other notice and claims agent engagements in Chapter 11 Cases

approved in this and other districts.

10. KCC requests that the Debtors pay their fees and expenses in accordance with the terms of the Engagement Letter. KCC will submit invoices summarizing, in reasonable detail, the services and expenses for which compensation is sought.

11. Prior to the Petition Date, the Debtors paid KCC a retainer of \$30,000, which KCC is holding and intends to apply toward its final invoice for this engagement in accordance with the terms of the Engagement Letter. In addition, prior to the Petition Date, the Debtors paid KCC a total of \$72,779.42 for prepetition services rendered pursuant to the Engagement Letter.

12. KCC will comply with all requests of the Clerk's Office and the guidelines promulgated by the Judicial Conference of the United States for the implementation of 28 U.S.C. § 156(c).

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 8, 2010


By: 
Albert H. Kass
Vice President of Corporate Restructuring Services
Kurtzman Carson Consultants LLC

EXHIBIT 1

Engagement Letter



KCC AGREEMENT FOR SERVICES

This Agreement is entered into as of the 1st day of April, ²⁰¹⁰~~2009~~, between the Newark group, Inc. (together with its affiliates and subsidiaries, the "Company"),¹ and Kurtzman Carson Consultants LLC (together with its affiliates and subcontractors, "KCC").

In consideration of the premises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Terms and Conditions

I. SERVICES

A. KCC agrees to provide the Company with consulting services regarding noticing, claims management and reconciliation, plan solicitation, balloting, disbursements and any other services agreed upon by the parties or otherwise required by applicable law, government regulations or court rules or orders.

B. KCC further agrees to provide (i) computer software support and training in the use of the support software, (ii) KCC's standard reports as well as consulting and programming support for the Company requested reports, (iii) program modifications, (iv) data base modifications, and/or (v) other features and services in accordance with the fees outlined in a pricing schedule provided to the Company (the "KCC Fee Structure").

C. Without limiting the generality of the foregoing, KCC may, upon request by the Company, (i) provide a communications plan including, but not limited to, preparation of communications materials, dissemination of information and a call center staffed by KCC and/or (ii) provide confidential on-line workspaces or virtual data rooms and publish documents to such workspaces or data rooms (which publication shall not be deemed to violate the confidentiality provisions of this Agreement).

D. The price listed for each service in the KCC Fee Structure represents a bona fide proposal for such services, which may be accepted in whole or in part. Services will be provided when requested by the Company or required by applicable law, government regulations or court rules or orders. Services are mutually exclusive and are deemed delivered and accepted by the Company when provided by KCC.

E. The Company acknowledges and agrees that KCC will often take direction from the Company's representatives, employees, agents and/or professionals (collectively, the "Company Parties") with respect to the services being provided under this Agreement. The parties agree that KCC may rely upon, and the Company agrees to be bound by, any requests, advice or information provided by the Company Parties to the same extent as if such requests, advice or

¹ The term Company shall include, to the extent applicable, the Company, as debtor and debtor in possession in its chapter 11 case, together with any affiliated debtors and debtors in possession whose chapter 11 cases are jointly administered with the Company's chapter 11 case.



KCC AGREEMENT FOR SERVICES

information were provided by the Company. The Company agrees and understands that KCC shall not provide the Company or any other party with any legal advice.

II. PRICES, CHARGES AND PAYMENT

A. KCC agrees to charge and the Company agrees to pay KCC for its services, expenses and supplies at the rates or prices set by KCC and in effect as of the date of this Agreement in accordance with the KCC Fee Structure. KCC's prices are generally adjusted periodically to reflect changes in the business and economic environment. KCC reserves the right to reasonably increase its prices, charges and rates annually. If any price increases exceed 10%, KCC will give thirty (30) days written notice to the Company.

B. The Company agrees to pay the reasonable out of pocket expenses incurred by KCC in connection with services provided under this Agreement, including but not limited to, transportation, lodging, and meals.

C. In addition to all fees for services and expenses hereunder, the Company shall pay to KCC (i) any fees and expenses related to, arising out of, or as a result of any error or omission made by the Company or the Company Parties, as mutually determined by KCC and the Company, and (ii) all taxes that are applicable to this Agreement or that are measured by payments made under this Agreement and are required to be collected by KCC or paid by KCC to a taxing authority.

D. Where the Company requires services that are unusual or beyond the normal business practices of KCC, or are otherwise not provided for in the KCC Fee Structure, the cost of such services shall be charged to the Company at a competitive rate.

E. KCC agrees to submit its invoices to the Company monthly and the Company agrees that the amount invoiced is due and payable upon the Company's receipt of the invoice. However, where total fees and expenses are expected to exceed \$10,000 in any single month, KCC may require advance payment from the Company due and payable upon demand and prior to the performance of services hereunder. If any amount is unpaid as of thirty (30) days from the receipt of the invoice, the Company further agrees to pay a late charge, calculated as one and one-half percent (1-1/2%) of the total amount unpaid every thirty (30) days. In the case of a dispute in the invoice amount, the Company shall give written notice to KCC within ten (10) days of receipt of the invoice by the Company. The undisputed portion of the invoice will remain due and payable immediately upon receipt of the invoice. Late charges shall not accrue on any amounts in dispute. Unless otherwise agreed to in writing, the fees for print notice and media publication (including commissions) as well as certain expenses must be paid at least three (3) days in advance of those fees and expenses being incurred.

F. In the event that the Company files for protection pursuant to chapter 11 of the United States Bankruptcy Code (a "Chapter 11 Filing"), the parties intend that KCC shall be employed pursuant to 28 U.S.C. § 156(c) ("Section 156(c)") and that all fees and expenses due under this Agreement shall be paid as administrative expenses of the Company's chapter 11 estate. As soon as practicable following a Chapter 11 Filing (and otherwise in accordance with applicable law and rules and orders of the Bankruptcy Court), the Company shall cause a motion to be filed with the Bankruptcy Court seeking entry of an order pursuant to Section 156(c) approving this



KCC AGREEMENT FOR SERVICES

Agreement in its entirety (the "Section 156(c) Order"). The form and substance of the motion and the Section 156(c) Order shall be reasonably acceptable to KCC. If any Company chapter 11 case converts to a case under chapter 7 of the Bankruptcy Code, KCC will continue to be paid for its services in accordance with Section 156(c) and under the terms of this Agreement.

G. To the extent permitted by applicable law, KCC shall receive a retainer in the amount of \$ 30,000.00 (the "Retainer") that may be held by KCC as security for the Company's payment obligations under the Agreement. The Retainer is due upon execution of this Agreement. KCC shall be entitled to hold the Retainer until the termination of the Agreement. Following termination of the Agreement, KCC shall return to the Company any amount of the Retainer that remains following application of the Retainer to the payment of unpaid invoices.

III. RIGHTS OF OWNERSHIP

A. The parties understand that the software programs and other materials furnished by KCC pursuant to this Agreement and/or developed during the course of this Agreement by KCC are the sole property of KCC. The term "program" shall include, without limitation, data processing programs, specifications, applications, routines, and documentation. The Company agrees not to copy or permit others to copy the source code from the support software or any other programs or materials furnished pursuant to this Agreement.

B. The Company further agrees that any ideas, concepts, know-how or techniques relating to data processing or KCC's performance of its services developed or utilized during the term of this Agreement by KCC shall be the exclusive property of KCC. Fees and expenses paid by the Company do not vest in the Company any rights in such property, it being understood that such property is only being made available for the Company's use during and in connection with the services provided by KCC under this Agreement.

IV. NON-SOLICITATION

The Company agrees that neither it nor its subsidiaries or other affiliated companies shall directly or indirectly solicit for employment, employ or otherwise retain employees of KCC during the term of this Agreement and for a period of twelve (12) months after termination of this Agreement unless KCC provides prior written consent to such solicitation or retention.

V. CONFIDENTIALITY

Each of KCC and the Company, on behalf of themselves and their respective employees, agents, professionals and representatives, agrees to keep confidential all non-public records, systems, procedures, software and other information received from the other party in connection with the services provided under this Agreement; provided, however, that if either party reasonably believes that it is required to produce any such information by order of any governmental agency or other regulatory body it may, upon not less than five (5) business days' written notice to the other party, release the required information.



KCC AGREEMENT FOR SERVICES

VI. SUSPENSION OF SERVICE AND TERMINATION

A. This Agreement shall remain in force until terminated or suspended by either party (i) upon thirty (30) days' written notice to the other party or (ii) immediately upon written notice for Cause (defined herein). As used herein, the term "Cause" means (i) gross negligence or willful misconduct of KCC that causes serious and material harm to the Company's reorganization under chapter 11 of the Bankruptcy Code, (ii) the failure of the Company to pay KCC invoices for more than sixty (60) days from the date of invoice, or (iii) the accrual of invoices or unpaid services in excess of the retainer held by KCC where KCC reasonably believes it will not be paid.

B. In the event that this contract is terminated, regardless of the reason for such termination, KCC shall coordinate with the Company and, to the extent applicable, the clerk of the Bankruptcy Court, to maintain an orderly transfer of record keeping functions and KCC shall provide all necessary staff, services and assistance required for an orderly transfer. The Company agrees to pay for such services in accordance with KCC's then existing prices for such services. If such termination occurs following entry of the Section 156(c) Order, the Company shall immediately seek entry of an order (in form and substance reasonably acceptable to KCC) that discharges KCC from service and responsibility under Section 156(c) and this Agreement.

C. Any data, programs, storage media or other materials furnished by the Company to KCC or received by KCC in connection with the services provided under the terms of this Agreement may be retained by KCC until the services provided are paid for, or until this Agreement is terminated with the services paid in full. The Company shall remain liable for all fees and expenses imposed under this Agreement as a result of data or physical media maintained or stored by KCC. KCC shall dispose of the data and media in the manner requested by the Company. The Company agrees to pay KCC for reasonable expenses incurred as a result of the disposition of data or media. If the Company has not utilized KCC's services under this Agreement for a period of at least ninety (90) days, KCC may dispose of the data or media, and be reimbursed by the Company for the expense of such disposition, after giving the Company thirty (30) days' notice. Notwithstanding any term herein to the contrary, following entry of the Section 156(c) Order, the disposition of any data or media by KCC shall be in accordance with any applicable instructions from the clerk of the Bankruptcy Court, local Bankruptcy Court rules and orders of the Bankruptcy Court.

VII. SYSTEM IMPROVEMENTS

KCC strives to provide continuous improvements in the quality of service to its clients. KCC, therefore, reserves the right to make changes in operating procedure, operating systems, programming languages, general purpose library programs, application programs, time period of accessibility, types of terminal and other equipment and the KCC data center serving the Company, so long as any such changes do not materially interfere with ongoing services provided to the Company in connection with the Company's chapter 11 case.



KCC AGREEMENT FOR SERVICES

VIII. BANK ACCOUNTS

At the Company's request, KCC shall be authorized to establish accounts with financial institutions in the name of and as agent for the Company. To the extent that certain financial products are provided to the Company pursuant to KCC's agreement with financial institutions, KCC may receive compensation from such financial institutions for the services KCC provides pursuant to such agreement.

IX. LIMITATIONS OF LIABILITY AND INDEMNIFICATION

A. The Company shall indemnify and hold KCC, its affiliates, members, directors, officers, employees, consultants, subcontractors and agents (collectively, the "Indemnified Parties") harmless, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, judgments, liabilities and expenses (including reasonable counsel fees and expenses) (collectively, "Losses") resulting from, arising out of or related to KCC's performance under this Agreement. Such indemnification shall exclude Losses resulting from KCC's gross negligence or willful misconduct. Without limiting the generality of the foregoing, Losses include any liabilities resulting from claims by any third-parties against any Indemnified Party. The Company shall notify KCC in writing promptly upon the assertion, threat or commencement of any claim, action, investigation or proceeding that the Company becomes aware of with respect to the services provided by KCC under this Agreement. The Company's indemnification obligations hereunder shall survive the termination of this Agreement.

B. Except as provided herein, KCC's liability to the Company or any person making a claim through or under the Company for any Losses of any kind, even if KCC has been advised of the possibility of such Losses, whether direct or indirect and unless due to gross negligence or willful misconduct of KCC, shall be limited to the total amount billed or billable to the Company for the portion of the particular work which gave rise to the alleged Loss. In no event shall KCC's liability to the Company for any Losses, whether direct or indirect, arising out of this Agreement exceed the total amount billed to the Company and actually paid to KCC for the services contemplated under the Agreement. In no event shall KCC be liable for any indirect, special or consequential damages such as loss of anticipated profits or other economic loss in connection with or arising out of the services provided for in this Agreement.

C. The Company is responsible for the accuracy of the programs, data and information it or any Company Party submits for processing to KCC and for the output of such information. KCC does not verify information provided by the Company and, with respect to the preparation of schedules and statements, all decisions are at the sole discretion and direction of the Company. The Company reviews and approves all schedules and statements filed on behalf of, or by, the Company; KCC bears no responsibility for the accuracy or contents therein. The Company agrees to initiate and maintain backup files that would allow the Company to regenerate or duplicate all programs and data submitted by the Company to KCC.

D. The Company agrees that except as expressly set forth herein, KCC makes no representations or warranties, express or implied, including, but not limited to, any implied or express warranty of merchantability, fitness or adequacy for a particular purpose or use, quality, productiveness or capacity.



KCC AGREEMENT FOR SERVICES

X. FORCE MAJEURE

Whenever performance by KCC of any of its obligations hereunder is materially prevented or impacted by reason of any act of God, strike, lock-out or other industrial or transportation disturbance, fire, lack of materials, law, regulation or ordinance, war or war condition, or by reason of any other matter beyond KCC's reasonable control, then such performance shall be excused and this Agreement shall be deemed suspended during the continuation of such prevention and for a reasonable time thereafter.

XI. INDEPENDENT CONTRACTORS

The Company and KCC are and shall be independent contractors of each other and no agency, partnership, joint venture or employment relationship shall arise, directly or indirectly, as a result of this Agreement.

XII. NOTICES

All notices and requests in connection with this Agreement shall be given or made upon the respective parties in writing and shall be deemed as given as of the third day following the day it is deposited in the U.S. Mail, postage pre-paid or on the day it is given if sent by facsimile or on the day after the day it is sent if sent by overnight courier to the appropriate address set forth below:

Kurtzman Carson Consultants LLC	Company
2335 Alaska Ave.	Address
El Segundo, CA 90245	City, ST Zip
Attn: Drake D. Foster	Attn:
Tel: (310) 823-9000	Tel:
Fax: (310) 823-9133	Fax:

Or to such other address as the party to receive the notice or request so designates by written notice to the other.

XIII. APPLICABLE LAW

The validity, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California.

XIV. ENTIRE AGREEMENT/ MODIFICATIONS

Each party acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and further agrees that it is the complete and exclusive statement of the agreement between the parties, which supersedes and merges all prior proposals, understandings, other agreements, and communications oral and written between the parties relating to the subject matter of this Agreement. The Company represents that it has the authority to enter into this Agreement, and the Agreement is non-dischargeable under any applicable statute or law. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired



KCC AGREEMENT FOR SERVICES

thereby. This Agreement may be modified only by a written instrument duly executed by an authorized representative of the Company and an officer of KCC.

XV. ASSIGNMENT

This Agreement and the rights and duties hereunder shall not be assignable by the parties hereto except upon written consent of the other, with the exception that this Agreement can be assigned without written consent by KCC to a wholly-owned subsidiary or affiliate of KCC.

XVI. ARBITRATION

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) shall be entered in any court having jurisdiction thereof. For that purpose, the parties hereto consent to the jurisdiction and venue of an appropriate court located in Los Angeles County, State of California.

XVII. ATTORNEYS' FEES

In the event that any legal action, including an action for declaratory relief, is brought to enforce the performance or interpret the provisions of this Agreement, the parties agree to reimburse the prevailing party's reasonable attorneys' fees, court costs, and all other related expenses, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which the prevailing party may be entitled.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the first date mentioned above.

Kurtzman Carson Consultants LLC

BY: DATE:
TITLE:

Company

Janet E. Byn 4/11/10

BY: DATE:
TITLE:



KCC AGREEMENT FOR SERVICES

thereby. This Agreement may be modified only by a written instrument duly executed by an authorized representative of the Company and an officer of KCC.

XV. ASSIGNMENT

This Agreement and the rights and duties hereunder shall not be assignable by the parties hereto except upon written consent of the other, with the exception that this Agreement can be assigned without written consent by KCC to a wholly-owned subsidiary or affiliate of KCC.

XVI. ARBITRATION

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) shall be entered in any court having jurisdiction thereof. For that purpose, the parties hereto consent to the jurisdiction and venue of an appropriate court located in Los Angeles County, State of California.

XVII. ATTORNEYS' FEES

In the event that any legal action, including an action for declaratory relief, is brought to enforce the performance or interpret the provisions of this Agreement, the parties agree to reimburse the prevailing party's reasonable attorneys' fees, court costs, and all other related expenses, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which the prevailing party may be entitled.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the first date mentioned above.

Kurtzman Carson Consultants LLC

A handwritten signature in black ink, appearing to read 'Albert Kass', is written over a horizontal line.

BY: ALBERT KASS

DATE: 3/31/2010

TITLE: VP, Corporate Restructuring

Company

BY:

DATE:

TITLE:

EXHIBIT B-FEE SCHEDULE

Database Set-Up (including creditor and scheduled liability data)	Hourly Rates ^a
Noticing	
Print Notification ^{b, c, d, e}	\$0.10 per page
Email Notification	No charge
Facsimile (per single sided page)	\$0.10 (Domestic)
Setup, coordination and implementation	Hourly Rates ^a
Postage (includes folding, insertion and envelopes, where required)	Actual Cost (payable in advance)
Claims Docketing	Hourly Rates ^a
Scanning	\$0.12 per image
Software and System Charges	
Administar software usage fee	Waived
Database storage fee	Waived for first 6 months \$.02/per record/month after
Public website design, development, maintenance	Waived
Public website hosting (including hardware, Internet connection, etc.)	Waived
Reporting	
Liability schedules, claim docket reports, service lists, objection reports, etc.	Hourly Rates ^a
Consulting	
Planning, coordination, management, analysis	Hourly Rates ^a
Call Center	Hourly Rates ^a
Balloting and Tabulation Services	
Printing of Disclosure Statement and Plan	Per Quote
CD-ROM of Disclosure Statement and Plan	Per Quote
On-line balloting software usage fee	Per Quote
Ballot Input, Tabulation	Hourly Rates ^a

EXHIBIT B-FEE SCHEDULE

Distribution Services ^{b, c}	
Check printing	\$0.85 per check
Tax form printing	\$0.75 per form
Setup, coordination, implementation, consulting	Hourly Rates ^a
Postage (includes folding, insertion and envelopes)	Actual cost (payable in advance)
<hr/>	
Legal Notice Publishing	Per Quote
<hr/>	
Labels	\$0.04 per label
Copies ^b	\$0.075 per page
Document Storage	Waived until case closed then \$2.00/box/ month
Out of pocket costs associated with operation of remote PO Box, Courier Charges, Travel, and other related expenses pertinent to the administration of this case	Reimbursable
Secure FTP site/Virtual Data Room	
Set-up fee (one time)	\$3,000
Project Management	Waived
Price/pages loaded	\$.32/page
<hr/>	
Consulting Services Standard Hourly Rates ^{a g}	
President /Senior Vice President	\$185.00 - \$225.00
Vice President / Executive Consultant	\$150.00 - \$225.00
Bankruptcy Consultant / Senior Bankruptcy Consultant	\$ 90.00 - \$150.00
Bankruptcy Analyst / Senior Bankruptcy Analyst	\$ 55.00 - \$ 85.00
Administrative / Operations / Call Center Attendant	\$ 25.00 - \$ 45.00

Deposit - a retainer deposit is required and will be deducted from final bill

- (a) Billing will be based upon actual hours incurred at standard hourly rates in quarter hour increments
- (b) Expedite charges apply where data or documents are not provided by client in a timely manner
- (c) Assume U.S. Postal Service First-Class Mail. Other methods (overnight, expedited, etc.) will incur labor associated with special handling and fees at standard rates
- (d) Self-Mailers will be utilized whenever possible. Additional fulfillment, mail processing and packaging costs may apply.
- (e) Notices containing only one page are priced as duplex at \$.24
- (f) Allocation of certain costs such as long distance, consumable office products, etc. may be applicable
- (g) Premium rates apply for required after hours and weekend administration

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY Caption in compliance with D.N.J. LBR 9004-2(c)	
LOWENSTEIN SANDLER PC Kenneth A. Rosen (KR 4963) Paul Kizel (PK 4176) Jeffrey D. Prol (JP 7454) Suzanne Iazzetta (SI 2116) 65 Livingston Avenue Roseland, New Jersey 07068 Telephone: (973) 597-2500 Facsimile: (973) 597-2400 Proposed Counsel to the Debtors and Debtors-in-Possession	
In re: THE NEWARK GROUP, INC., <i>et al.</i> , Debtors.	Chapter 11 Case No. 10-27694 (NLW) Jointly Administered

**ORDER PURSUANT TO 28 U.S.C. § 156(c) AUTHORIZING THE DEBTORS TO
RETAIN AND EMPLOY KURTZMAN CARSON CONSULTANTS LLC AS NOTICE,
BALLOTING AND VOTING AGENT FOR THE DEBTORS
NUNC PRO TUNC TO THE PETITION DATE**

The relief set forth on the following pages, numbered two (2) through four (4), is hereby
ORDERED.

Page: 2
Debtor: The Newark Group, Inc., *et al.*
Case No: 10-27694 (NLW)
Caption: ORDER PURSUANT TO 28 U.S.C. § 156(c) AUTHORIZING THE DEBTORS
TO RETAIN AND EMPLOY KURTZMAN CARSON CONSULTANTS LLC
AS NOTICE, BALLOTING AND VOTING AGENT FOR THE DEBTORS
NUNC PRO TUNC TO THE PETITION DATE

THIS MATTER having come before the Court upon the application of The Newark Group, Inc., *et al.*,¹ as debtors and debtors-in-possession in the above-captioned Chapter 11 Cases (collectively, the “**Debtors**”), seeking entry of an order pursuant to section 156(c) of title 28 of the United States Code, authorizing the Debtors to retain and employ Kurtzman Carson Consultants LLC (“**KCC**”) as notice, balloting and voting agent for the Debtors, *nunc pro tunc* to the Petition Date (the “**Application**”)²; and upon the *Declaration of Albert H. Kass* (the “**Kass Declaration**”) submitted in support thereof; and the Court being satisfied, based on the representations made in the Application and the Kass Declaration, that KCC has the capability and experience to provide the proposed services and that KCC neither holds nor represents any interest adverse to the Debtors’ estates; and upon the *Declaration of Robert H. Mullen in Support of Chapter 11 Petitions and Various First Day Applications and Motions* in support thereof; and it appearing that this Court has jurisdiction to consider the Application pursuant to 28 U.S.C. § 1334; and it appearing that venue of the Chapter 11 Cases and the Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that the relief requested in the Application is in the best interests of the Debtors, their estates, their creditors and other parties-in-interest; and it appearing that proper and adequate notice of the Application

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are: The Newark Group, Inc. (4844), Jackson Drive Corp. (4573), and NP Cogen, Inc. (9626).

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

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Debtor: The Newark Group, Inc., *et al.*
Case No: 10-27694 (NLW)
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TO RETAIN AND EMPLOY KURTZMAN CARSON CONSULTANTS LLC
AS NOTICE, BALLOTING AND VOTING AGENT FOR THE DEBTORS
NUNC PRO TUNC TO THE PETITION DATE

has been given and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefore,

IT IS ORDERED as follows:

1. The Application is hereby GRANTED.
2. The Debtors are authorized to retain and employ KCC *nunc pro tunc* to the Petition Date as their notice, balloting and voting agent in accordance with the terms and conditions set forth in the Application and the Engagement Letter.
3. KCC is authorized and shall perform the services set forth in the Application and the Engagement Letter.
4. In addition to the services set forth in the Application and Engagement Letter, KCC is authorized to assist with and to provide such other noticing, claims processing, solicitation and administrative services that the Debtors may request from time to time.
5. The Debtors are authorized to pay KCC's fees and expenses as set forth in the Engagement Letter in the ordinary course of business and KCC shall not be required to file fee applications with the Court.
6. Without further order of the Court, KCC's fees and expenses shall be treated as an administrative expense of the Debtors' estates and shall be paid by the Debtors in accordance with the terms of the Engagement Letter upon receipt of each KCC invoice by the Debtors, unless KCC is advised by written notice, within ten (10) days of receipt of the invoice, that the Debtors object to the invoice, in which case the Debtors will schedule a hearing before the Court

Page: 4
Debtor: The Newark Group, Inc., *et al.*
Case No: 10-27694 (NLW)
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to consider the disputed invoice. In the event of a disputed invoice, the Debtors shall remit to KCC only the undisputed portion of the invoice and, if applicable, shall pay the remainder to KCC upon the resolution of the disputed portion, as mandated by the Court.

7. If these Chapter 11 Cases are converted to cases under Chapter 7 of the Bankruptcy Code, KCC will continue to be paid for its services until any claims filed in these Chapter 11 Cases have been completely processed. If claims agent representation is necessary in the converted chapter 7 cases, KCC will continue to be paid in accordance with 28 U.S.C. § 156(c) on the terms set forth in the Engagement Letter, the Application and this Order.

8. The Debtors and KCC are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

9. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

10. The requirement set forth in Local Rule 9013-2 that any motion or other request for relief be accompanied by a memorandum of law is hereby deemed satisfied by the contents of the Application or otherwise waived.

11. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.