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SULLIVAN HILL LEWIN REZ & ENGEL
A Professional Law Corporation
James P. Hill, SBN 90478
Christopher V. Hawkins, SBN 222961
550 West "C" Street, Suite 1500
San Diego, California 92101
Telephone: (619) 233-4100
Fax Number: (619) 231-4372

Electronically Filed: 4/15/15

Proposed Counsel for Debtor, Sullivan International Group, Inc.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA**

In re
SULLIVAN INTERNATIONAL
GROUP, INC.,

Debtor.

CASE NO. 15-02281-LT11
Chapter 11
DECLARATION OF STEPHEN C. JONES IN SUPPORT OF EMERGENCY "FIRST DAY" MOTION FOR INTERIM ORDER AUTHORIZING INSIDER COMPENSATION

Ctm: Dept. 3, Room 129
United States Bankruptcy Court
325 West "F" Street
San Diego, CA 92101-6991
Judge: Hon. Laura S. Taylor

I, Stephen C. Jones, declare as follows:
1. I am an individual over the age of majority and am competent to testify as to the facts set forth in this declaration.
2. I am an economic and financial advisor with over 25 years of experience providing corporate advisory services to companies and financial institutions, including but not limited to valuation services. My qualifications and credentials are attached as Exhibit "1" hereto.
3. I make this declaration in support of the Emergency "First Day" Motion

1 for Interim Order Authorizing Insider Compensation (the “Motion”) filed by Sullivan
2 International Group, Inc. (the “Debtor”), the debtor and debtor in possession herein.
3 Capitalized terms not otherwise defined herein shall have the meaning given them in
4 the Motion.

5 4. I have direct and firsthand knowledge of the facts contained in this
6 declaration, and if called upon as a witness, I could and would competently testify to
7 such facts.

8 5. I am the manager and CEO of 3C Advisors & Associates, Inc. (“3C”).
9 Beginning on December 8, 2014, 3C and I have been performing a variety of financial
10 and management consulting services for the Debtor. In that capacity, I am familiar
11 with the Debtor and the services provided by the Insiders to the Debtor.

12 6. Based on my 25 years of experience providing corporate advisory
13 services, I am familiar with the compensation paid to management in the industry of
14 the Debtor. The requested compensation of the Insiders is within the range of
15 compensation being paid to executives and managers holding similar positions in
16 similar sized-companies in the same industry as held by the Insiders of the Debtor,
17 taking into account the skills, experience, and education of each of the Insiders.

18 I declare under penalty of perjury under the laws of the United States of
19 America that the foregoing is true and correct. Executed on 4/15, 2015.

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23 _____
24 Stephen C. Jones
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Exhibit Table

Exhibit	Description	Pages
1	Jones Resume	4-6

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EXHIBIT "1"



3C ADVISORS

Stephen C. Jones
Senior Managing Director

Mr. Jones is the Manager and CEO of 3C Advisors & Associates, Inc. a professional services firm specializing in 3 primary areas of expertise: 1) Expert Testimony; 2) Capital Sourcing; and 3) Corporate Advisory (operating companies either distressed or growing and selling healthy companies). Within the context of each discipline, the firm provides valuation services, intellectual property services, and real estate services.

As an expert witness, Mr. Jones differentiates himself from most other experts by bringing 25 years of market expertise in transactions, valuation, and operations to the courtroom. Jury study after jury study reveals a trial jury will rely on actual experience in markets, valuation etc. over experts who are simply professional expert witnesses.

Background:

Mr. Jones is an alumnus of Arthur Andersen and PricewaterhouseCoopers. In addition, he has held senior management positions both globally and nationally at two publicly traded companies. He has vast experience consulting with middle market and Fortune 500 companies, national and international law firms, financial institutions, and private equity and hedge funds. His work spans an array of assignments including commercial damages studies, valuation of enterprises, patent infringement studies, intellectual property valuation, transactional valuation, mark-to-market and mark-to-model valuations under SFAS 157, fairness opinions, and business enterprise valuations. He has served on the global Fairness Opinion Committee in a registered broker dealer of a public company.

Mr. Jones has served as a consultant and expert witness on various commercial damages and some of the largest corporate restructurings and related engagements. He has also served as a financial and economic consultant and expert on numerous occasions on many high-profile engagements in the US (superior, federal and bankruptcy) and the International Chamber of Commerce (ICC) in Europe.

Major Publications and Recent Industry Presentations:

- Co-authored: Chapter 5 of *Standards of Valuation – Theory and Application* (2006) Pratt & Fishman;
- Authored: Chapter 17 of the Practitioners Publishing Company (PPC), 2003 *Guide to Business Valuations, Valuation of Intangible Assets – Fishman.*
- Co-authored: Comments on the National Oceanic and Atmospheric



3C ADVISORS

- Administration's (NOAA) *Notice of Proposed Rule Making (NRDA)* issued August 3, 1995, Dr. Louis L. Wilde and Dr. Jack Williamson.
- Served six years on the Steering Committee for The Appraisal Foundation's (TAF) *Valuation for Financial Reporting* subcommittee – Providing thought leadership white papers to the valuation industry, the SEC, the FASB, and the PCAOB on valuation related issues.
 - Panel Moderator at the Rothstein Kass & Co's 2009 annual *Hedge Fund and Alternative Investment Summit 2009, Alternative Investment Valuations; SFAS 157*.
 - Presentation to the Licensing Executive Society – San Diego, 2010, *Valuation Of IP; Banks, Auditors, Markets and Litigation*.
 - Presentation – San Diego State University Entrepreneurial Management Center - *Succession or Sale: Hear from the experts on how to negotiate, sell or transfer the business* (Co Presenters - Margaret Fischer; Susan Snow; Bill Super, CPA; Stuart Sorensen, Esq.).
 - January 2013 - Conducted *The 3C Economic Advisors 2012 Daubert Motions to Exclude Damages Experts Study*
 - Presentation - Los Angeles Intellectual Property Law Association for the March 2013 monthly meetings presented *Recent Significant Damages Opinions and Trends in Daubert Rulings* (Co-presenters: David H. Ben-Meir – Alston + Bird and Ellisen S. Turner – Irell & Manella).
 - Presentation – San Diego Intellectual Property Law Association for the March 2013 monthly meetings presented *Recent Significant Damages Opinions and Trends in Daubert Rulings*.
 - Presentation – February 11, 2014 The North County Estate & Gift Counsel, San Diego – *Business Exit Planning “Getting the Business Ready for Sale – Building Value through M&A”* Panelists: Barbara Wight, CFO Taylor Guitar; Kurt Kicklighter, partner McKenna Long Aldrige LLC; David Luvisa, Managing Director Hunter Wise.
 - Thought Leadership Study – *March 2014 Trends in Patent Infringement Litigation*. Six years (2008 – 2013) of analysis on trends in filings, awards, injunctions, TROs and other data.

Associations:

Mr. Jones is a member of the American Society of Appraisers, Licensing Executives Society. He served six years as a committee member of the Appraisal Foundation's (TAF) subcommittee *Best Practices in Financial Reporting*. The TAF is a nonprofit funded by the US Congress to evaluate valuation issues in the United States primarily for public companies who are SEC registrants. He is also is a member of the Appraisal Issues Task Force (AITF). He received his BS in Finance from San Diego State University.