

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of The Cadmus Group, Inc., d/b/a _____, for registration as a Conservation Service Provider ("CSP") in the Commonwealth of Pennsylvania.

To the Pennsylvania Public Utility Commission:

1. **IDENTITY OF THE APPLICANT:** The legal name, address, telephone number, FAX number and email address of the Applicant are:
The Cadmus Group, Inc
100 5th Ave, Ste 100
Waltham, MA 02451
phone (617) 673-7000
fax (617) 673-7001

Please identify any predecessor(s) of the Applicant and provide other names under which the Applicant has operated as a CSP within the preceding five (5) years, including name, address, and telephone number.

2. **CONTACT PERSON:** The name, title, address, telephone number, FAX number and email address of the person to whom questions about this Application should be addressed are:

Maren Curtis
Contracts Manager
The Cadmus Group, Inc.
720 SW Washington, Suite 400
Portland, OR 97205
phone (503) 467-7150
fax (503) 575-4750

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3. **REGISTERED AGENT:** If the Applicant does not maintain a principal office in the Commonwealth, the required name, address, telephone number and FAX number of the Applicant's Registered Agent in the Commonwealth are:

4. **FICTITIOUS NAME:** (select and complete appropriate statement)

The Applicant will be using a fictitious name or doing business as ("d/b/a"):

Provide proof of compliance with appropriate Pennsylvania Department of State filing requirements.

or

The Applicant will not be using a fictitious name.

5. **BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:** (select and complete appropriate statement)

The Applicant is a sole proprietor.

If the Applicant is located outside the Commonwealth, provide proof of compliance with 15 Pa. C.S. §4124 relating to Department of State filing requirements.

or

The Applicant is a:

- domestic general partnership (*)
- domestic limited partnership (15 Pa. C.S. §8511)
- foreign general or limited partnership (15 Pa. C.S. §4124)
- domestic limited liability partnership (15 Pa. C.S. §8201)
- foreign limited liability general partnership (15 Pa. C.S. §8211)
- foreign limited liability limited partnership (15 Pa. C.S. §8211)

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Provide proof of compliance with appropriate Department of State filing requirements as indicated above. Please attach a copy of the proof of compliance to the Application.

Give name, d/b/a, and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.

* If a corporate partner in the Applicant's domestic partnership is not domiciled in Pennsylvania, attach a copy of the Applicant's Department of State filing pursuant to 15 Pa. C.S. §4124.

or

The Applicant is a:

- domestic corporation (none)
- foreign corporation (15 Pa. C.S. §4124)
- domestic limited liability company (15 Pa. C.S. §8913)
- foreign limited liability company (15 Pa. C.S. §8981)
- Other _____

Provide proof of compliance with appropriate Department of State filing requirements as indicated above. Please attach a copy of the proof of compliance to the Application. Additionally, provide a copy of the Applicant's Articles of Incorporation.

Give name, title, telephone number and address of officers, partners or directors.

The Applicant is incorporated in the state of Massachusetts.

6. **AFFILIATES AND PREDECESSORS WITHIN PENNSYLVANIA:** (select and complete appropriate statement)

Affiliate(s) of the Applicant doing business in Pennsylvania as a CSP or an electric distribution company ("EDC") are:

Give name and address of the affiliate(s).

7. **APPLICANT'S PRESENT OPERATIONS:** (select and complete the appropriate statement)

- The Applicant is presently doing business in Pennsylvania as a:
Consultancy providing evaluation, management and verification for Pennsylvania utilities.

Describe nature of business.

or

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- The Applicant is not presently doing business in Pennsylvania.

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8. **APPLICANT'S PROPOSED OPERATIONS**
(Answer to item 8 has been included at the end due to lack of space)

Describe the type(s) of services that the Applicant is able to provide to an EDC, the EDCs the Applicant is able to serve, and the types of energy efficiency and conservation measures on which the Applicant can provide information and technical assistance to an EDC.

9. **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached as Appendix A to this application.

10. **COMPLIANCE:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application is currently under investigation for or has been convicted of a crime involving fraud, theft, larceny, deceit, violation of consumer protection law, violation of deceptive trade law or similar activity. Identify all proceedings, by name, subject and citation, dealing with business operations, in the last three (3) years, whether before an administrative body or in a judicial forum, in which the Applicant, an affiliate, a predecessor of either, or a person identified herein has been a defendant or a respondent. Provide a statement as to the resolution or present status of any such proceedings.

We confirm that The Cadmus Group, Inc. and its individual board members and corporate officers have not been evicted of and are not currently being investigated for any crime involving fraud, theft, larceny, deceit, violation of consumer protection law, violation of deceptive trade law or any similar activity.

11. **DELINQUENCY:** State specifically whether the Applicant, an affiliate, or a predecessor of either is currently delinquent with any taxing authority in Pennsylvania.

There have been no customer complaints against The Cadmus Group, Inc. filed with any regulatory or prosecutor agencies within the last three years.

12. **BANKRUPTCY:** Identify all bankruptcy or liquidation proceedings for prior three years. Provide a statement as to the resolution or present status of any such proceedings.

There have been no bankruptcy or liquidation proceedings at The Cadmus Group, Inc.

13. **CUSTOMER COMPLAINTS:** Identify all customer complaints filed with a regulatory or prosecutory agency for prior three years. Provide a statement as to the resolution or present status of any complaints.

There have been no customer complaints against The Cadmus Group, Inc. filed with any regulatory or prosecutory agencies within the last three years.

14. **FINANCIAL RESPONSIBILITY:**

A. Applicant shall provide sufficient information to demonstrate financial responsibility commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- Organizational structure including parent, affiliated or subsidiary companies.
- Published parent company financial and credit information.
- A description of the types and amounts of insurance carried by Applicant.

Included as Appendix A: Audited financial statements and insurance certificate.

B. Applicant must provide the following information:

- Identify Applicant's principal officers (owners, executives, partners and/or directors, as appropriate for organizational structure, including names, titles, business addresses, telephone numbers and their professional resumes.

Name	Title	Business Address	Phone
Ian P. Kline	President & CEO	100 5 th Ave, Ste 100, Waltham, MA 02451	(617) 673-7000
Ralph T. Jones	Managing Director	100 5 th Ave, Ste 100, Waltham, MA 02451	(617) 673-7000
Gene E. Fax	Chairman	100 5 th Ave, Ste 100, Waltham, MA 02451	(617) 673-7000
Alan V. Sefaerian	CFO/Secretary	100 5 th Ave, Ste 100, Waltham, MA 02451	(617) 673-7000
Christopher B. Hitchcock	Chief Operating Officer	100 5 th Ave, Ste 100, Waltham, MA 02451	(617) 673-7000
M. Sami Khawaja	Senior VP	720 SW Washington St, Ste 400, Portland OR 97206	(503) 228-2992

15. **TECHNICAL FITNESS:** To ensure that the present quality and availability of service provided by electric utilities does not deteriorate, the Applicant shall provide sufficient information to demonstrate technical fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- The identity of the Applicant's management directly responsible for operations, including names, titles, business addresses, telephone numbers and their professional resumes.
- Copies of any certification(s) or similar documentation that would demonstrate technical fitness, such as membership in a trade association.

16. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.

17. **FEE:** The Applicant has enclosed the appropriate fee:

For an initial application the Applicant has enclosed the required fee of \$125 payable to the Commonwealth of Pennsylvania.

OR

For a renewal application the Applicant has enclosed the required fee of \$25 payable to the Commonwealth of Pennsylvania.

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Applicant: The Cadmus Group, Inc.

By: Christopher B. Hitchcock

Title: Chief Operating Officer

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AFFIDAVIT

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[Commonwealth/State] of Massachusetts :

ss.

County of Middlesex :

Christopher B. Hitchcock, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the Chief Operating Officer (Office of Affiant) of The Cadmus Group, Inc. (Name of Applicant);]

[That he/she is authorized to and does make this affidavit for said Applicant;]

That the Applicant herein The Cadmus Group, Inc. has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be registered as a conservation service provider pursuant to Act 129 of 2008.

That the Applicant herein The Cadmus Group, Inc. has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

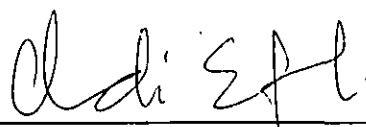
That the Applicant herein The Cadmus Group, Inc. acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

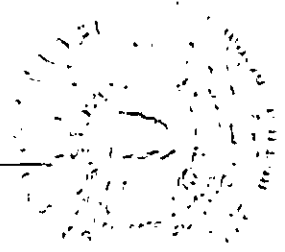
That the Applicant herein The Cadmus Group, Inc. acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing.


Signature of Affiant

Sworn and subscribed before me this 13th day of June, 2013.


Signature of official administering oath



My commission expires 8/30/2013

COMMONWEALTH OF PENNSYLVANIA PUBLIC UTILITY COMMISSION

TAX CERTIFICATION STATEMENT

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

A completed Tax Certification Statement must accompany all applications for new registrations or renewals. Failure to provide the requested information and/or any outstanding state income, corporation, and sales (including failure to file or register) will cause your application to be rejected. If additional space is needed, please use white 8 1/2" x 11" paper. Type or print all information requested.

1. CORPORATE OR APPLICANT NAME: The Cadmus Group, Inc. 2. BUSINESS PHONE NO.: (617) 673-7000 CONTACT PERSON(S) FOR TAX ACCOUNTS: Chudi Ekpunobi

3. TRADE/FICTITIOUS NAME (IF ANY)

4. LICENSED ADDRESS (STREET, RURAL ROUTE, P.O. BOX NO.) (POST OFFICE) STATE (ZIP) 100 5th Ave. Ste 100, Waltham, MA, 02451

5. TYPE OF ENTITY [] SOLE PROPRIETOR [] PARTNERSHIP [X] CORPORATION

8. LIST OWNER(S), GENERAL PARTNERS, OR CORPORATE OFFICER(S)

NAME (PRINT) SOCIAL SECURITY NUMBER (OPTIONAL) Ian Kline, President and CEO

NAME (PRINT) SOCIAL SECURITY NUMBER (OPTIONAL) Ralph Jones, Managing Director, Co-Founder

NAME (PRINT) SOCIAL SECURITY NUMBER (OPTIONAL) Gene Fax, Chairman of the Board, Co-Founder

NAME (PRINT) SOCIAL SECURITY NUMBER (OPTIONAL) Alan Seferian, Chief Financial Officer

NAME (PRINT) SOCIAL SECURITY NUMBER (OPTIONAL) Christopher Hitchcock, Chief Operating Officer

9. LIST THE FOLLOWING STATE TAX IDENTIFICATION NUMBERS. (ALL ITEMS: A, B, AND C MUST BE COMPLETED).

A. SALES TAX LICENSE (8 DIGITS) APPLICATION PENDING [] N/A [X]

C. CORPORATE BOX NUMBER (7 DIGITS) APPLICATION PENDING [] N/A [X]

B. EMPLOYER ID (EIN) (9 DIGITS) APPLICATION PENDING [] N/A [X]

10. Do you have PA employees either resident or non-resident? [X] YES [] NO 11. Do you own any assets or have an office in PA? [] YES [X] NO

NAME AND PHONE NUMBER OF PERSON(S) RESPONSIBLE FOR FILING TAX RETURNS N/A Automatic Data Processing, Inc. Sansiveri, Kimball & McNamee LLP PA SALES AND USE TAX EMPLOYER TAXES CORPORATE TAXES (800) 225-5237 (401) 752-0549 PHONE PHONE

You can contact the Pennsylvania Department of Revenue at the following numbers: (717) 787-1064 or TDD# (800) 447-3020 for further information about tax identification numbers.

8. APPLICANT'S PROPOSED OPERATIONS

1. **Energy Efficiency and Demand Response Evaluation**

- Impact evaluations, focusing on documenting energy and demand savings.
- Process evaluations, focusing on program design efficiency and improvements.
- Market evaluations, to examine program effects on existing markets for efficient products and services.
- Logic model and program theory development to guide program implementation and develop appropriate indicators of success in short-, medium-, and long-term time frames.
- Customer surveys, focusing on satisfaction, intentions, and attitudes.
- Evaluability assessment, to determine if programs are gathering the appropriate data for comprehensive evaluation.
- Training and guidance in evaluation management and implementation for evaluation staff and program management.
- Preparation of testimony and reporting in support of state regulatory proceedings.
- Development of policies, procedures, and protocols for evaluation of energy-efficiency programs.
- Development and management of tracking databases for program tracking and evaluations.

2. **Clean Energy Assessments:** Cadmus provides verification, evaluation, and potential assessments for renewable projects including:

- Field Verification of Renewable Energy and Distributed Generation (DG) System Performance - Cadmus conducts post installation inspections and monitoring studies on a range of renewable energy systems.
- Evaluation of Renewable Energy and Distributed Generation Program Impacts – We conduct evaluations of state level RE/DG programs, to gauge the effectiveness and impacts of these programs on the regional market for renewable energy products and services. Cadmus uses statistical and analysis techniques to provide timely, actionable feedback on program structure and implementation.
- Development of Multi Platform Systems to track Renewable Energy and Distributed Generation System Performance - Cadmus has significant experience in developing and administering software tools to help programs track and quantify program benefits from RE/DG project implementation. Cadmus has built the only system that successfully integrates both automated and manual reporting strategies for RE/DG technologies.
- Solar and Wind Site Surveys and Resource Assessments – We provide site surveys and resource assessment support to a wide range of end use customers, including shading analyses for PV systems, feasibility studies for integration of PV systems into public buildings, wind resource feasibility assessments, and other related services.

3. **Utility Resource Planning and Assessment:** Our utility planning and assessment services encompass:

- Evaluating demand-side management resource portfolio options, including financial incentives, education and awareness campaigns, and codes and standards.
- Technology assessment and feasibility studies for demand response, renewables, and fuel conversion.
- Assessing long-term technical, economic, and market potentials for demand-side management options, including energy efficiency, demand response, dispersed generation, renewable resources, and fuel conversion.
- Developing demand-side management resource portfolios and analyzing implications for utility customers, utilities, and communities. Program planning services, including benchmarking and best-practice research, developing technical specifications, incentive structures, marketing plans, delivery mechanism, and cost-effectiveness analysis.
- Providing support in preparation of regulatory filings and stakeholder meetings.
- Cadmus' demand-side management planning and assessment services are supported by a suite of state-of-the-art techniques and advanced software tools expressly designed for analysis and forecasting of energy-efficiency and demand-response options.

4. **Regulatory Strategy and Support:** Our services include almost all aspects of resource planning, rate design, and regulatory functions: from revenue requirements to regulatory support, such as witness training and hearing preparation courses. Our list of services includes cost of service, pricing and ratemaking, regulatory strategy and policy, energy supply planning, electric market analysis and deregulation, and load research and forecasting.

5. **Load Research and Forecasting:** We provide customized load-forecasting services to address key issues facing specific markets and end uses for electric and gas utilities. Our end use, multi-dimensional, and peak demand forecasting models use state-of-the-art analytical and software solutions. In addition to understanding the influences of the economy and weather, our analyses address impacts of pricing, competition, demand-side management (DSM) and new products on load projections.



EXHIBIT A
FINANCIAL STATEMENTS
AND
INSURANCE

**THE CADMUS GROUP, INC.
AND SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
APRIL 30, 2012 AND 2011

INDEPENDENT AUDITORS' REPORT



SANSIVERI, KIMBALL & CO., L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Cadmus Group, Inc.:

We have audited the accompanying consolidated balance sheets of The Cadmus Group, Inc. and Subsidiary (the Company) as of April 30, 2012 and 2011, and the related consolidated statements of income, stockholder's equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Cadmus Group, Inc. and Subsidiary as of April 30, 2012 and 2011 and the results of their operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Sansiveri, Kimball & Co., L.L.P.

Providence, Rhode Island
August 7, 2012

THE CADMUS GROUP, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS
APRIL 30, 2012 AND 2011

	2012	2011
ASSETS		
CURRENT ASSETS:		
Cash	\$ 3,691,246	\$ 1,919,890
Receivables:		
Trade, less allowance for doubtful accounts of approximately \$206,000 in 2012 and \$75,000 in 2011	8,812,982	9,834,264
Unbilled	9,829,793	9,464,837
Refundable taxes on income	41,554	100,971
Prepaid expenses and other current assets	477,256	344,933
Total current assets	<u>22,852,831</u>	<u>21,664,895</u>
PROPERTY AND EQUIPMENT:		
Leasehold improvements	1,627,804	1,109,268
Furniture and fixtures	470,099	391,514
Computer equipment	1,819,308	1,361,332
Testing equipment	1,275,326	1,015,753
Total	5,192,537	3,877,867
Less accumulated depreciation and amortization	3,256,603	2,476,772
Property and equipment, net	<u>1,935,934</u>	<u>1,401,095</u>
OTHER ASSETS:		
Goodwill	14,766,262	10,024,737
Deposits and other assets	230,563	171,777
Total other assets	<u>14,996,825</u>	<u>10,196,514</u>
TOTAL	<u>\$ 39,785,590</u>	<u>\$ 33,262,504</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 2,298,757	\$ 1,285,715
Accounts payable and accrued expenses	10,149,037	9,052,771
Income taxes payable	-	62,641
Accrued purchase considerations	-	1,653,646
Share-based compensation	72,000	-
Deferred taxes on income	773,281	773,281
Total current liabilities	<u>13,293,075</u>	<u>12,828,054</u>
SUBORDINATED NOTES PAYABLE - Related parties	4,020,000	6,020,000
LONG-TERM DEBT - Less current portion	9,239,523	5,392,856
DEFERRED TAXES ON INCOME	805,000	1,583,000
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDER'S EQUITY:		
Capital stock:		
Class A common stock, \$0.01 par value, 1,250,000 shares authorized	10,000	10,000
Class B common stock, \$0.01 par value, 740,000 shares authorized	-	-
Retained earnings	21,666,632	18,030,320
Unearned ESOP shares	(9,275,982)	(10,631,294)
Accumulated other comprehensive income	27,342	29,568
Total stockholder's equity	<u>12,427,992</u>	<u>7,438,594</u>
TOTAL	<u>\$ 39,785,590</u>	<u>\$ 33,262,504</u>

See notes to consolidated financial statements.

THE CADMUS GROUP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

	2012	2011
CONTRACT REVENUE	\$ 68,819,086	\$ 66,784,085
OPERATING EXPENSES:		
Salaries and employee benefits	34,131,482	31,752,205
Subcontractors and consulting	20,295,435	20,714,326
Other operating expenses	10,013,416	9,253,181
Total operating expenses	<u>64,440,333</u>	<u>61,719,712</u>
INCOME FROM OPERATIONS	4,378,753	5,064,373
OTHER INCOME (EXPENSE):		
Interest expense	(507,021)	(586,980)
Interest income	3,914	1,320
Other expense, net	<u>(503,107)</u>	<u>(585,660)</u>
INCOME BEFORE TAXES ON INCOME	3,875,646	4,478,713
PROVISION FOR TAXES ON INCOME	<u>117,000</u>	<u>307,000</u>
NET INCOME	<u>\$ 3,758,646</u>	<u>\$ 4,171,713</u>

See notes to consolidated financial statements.

THE CADMUS GROUP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY
FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

	<u>Common Stock - Issued and Outstanding</u>		Retained earnings	Unearned ESOP shares	Accumulated other comprehensive income	Stockholder's equity
	<u>Class A - Voting Shares</u>	<u>Amount</u>				
Balance at April 30, 2010	1,000,000	\$ 10,000	\$ 13,787,914	\$ (11,884,000)	\$ 29,676	\$ 1,943,590
Comprehensive income:						
Net income			4,171,713			4,171,713
Market value adjustment on investments available for sale					(108)	<u>(108)</u>
Total comprehensive income						<u>4,171,605</u>
ESOP compensation expense			70,693	1,252,706		1,323,399
Balance at April 30, 2011	1,000,000	10,000	18,030,320	(10,631,294)	29,568	7,438,594
Comprehensive income:						
Net income			3,758,646			3,758,646
Market value adjustment on investments available for sale					(2,226)	<u>(2,226)</u>
Total comprehensive income						<u>3,756,420</u>
ESOP compensation expense			(122,334)	1,355,312		1,232,978
Balance at April 30, 2012	1,000,000	\$ 10,000	\$ 21,666,632	\$ (9,275,982)	\$ 27,342	\$ 12,427,992

See notes to consolidated financial statements.

THE CADMUS GROUP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 3,758,646	\$ 4,171,713
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	775,332	703,685
Deferred taxes on income	(778,000)	(712,000)
Loss on sale of property and equipment	-	6,169
Share-based compensation expense	72,000	-
ESOP compensation expense adjustment	(122,334)	70,693
Changes in operating assets and liabilities:		
Trade receivables	2,073,390	(2,101,913)
Unbilled receivables	(364,956)	(2,349,757)
Refundable taxes on income	59,417	(100,971)
Prepaid expenses and other current assets	(105,419)	(53,723)
Deposits and other assets	(27,016)	115,180
Accounts payable and accrued expenses	559,238	1,406,888
Income taxes payable	(62,641)	(271,471)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,837,657</u>	<u>884,493</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,224,060)	(474,263)
Addition to goodwill	(51,574)	-
Acquisition of CTG; net of cash acquired	(944,714)	-
NET CASH USED BY INVESTING ACTIVITIES	<u>(2,220,348)</u>	<u>(474,263)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in unearned ESOP shares	1,355,312	1,252,706
Payments on:		
Accrued purchase considerations	(1,653,646)	(1,375,000)
Long-term debt	(1,547,619)	(1,230,572)
NET CASH USED BY FINANCING ACTIVITIES	<u>(1,845,953)</u>	<u>(1,352,866)</u>
NET INCREASE (DECREASE) IN CASH	1,771,356	(942,636)
CASH, BEGINNING OF THE YEAR	<u>1,919,890</u>	<u>2,862,526</u>
CASH, END OF THE YEAR	<u>\$ 3,691,246</u>	<u>\$ 1,919,890</u>

See notes to consolidated financial statements.

THE CADMUS GROUP, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Cadmus Group, Inc. (Cadmus) provides research and consulting services consisting of scientific, technical and policy analyses and evaluation services to a broad range of clients in the United States and worldwide. Cadmus' service areas include water, energy, social marketing and market transformation, health policy and communications, green building, international development, and strategic environmental consulting.

In December 2011, Cadmus formed a wholly-owned subsidiary, CTG MergerCo, Inc., for the purpose of acquiring CTG Enterprises, Inc. (CTG), a California corporation. On December 29, 2011, Cadmus entered into an agreement to acquire the stock of CTG. Cadmus, subsequent to the acquisition, merged CTG MergerCo, Inc. into CTG, with CTG being the surviving entity of the merger and a wholly-owned subsidiary of Cadmus. Cadmus intends to subsequently merge with CTG, with Cadmus being the surviving entity.

CTG's primary line of business is providing engineering consulting services focusing on energy engineering for buildings throughout the United States.

Basis of Consolidation

The consolidated financial statements include the accounts of Cadmus and its wholly-owned subsidiary, CTG (collectively referred to as the Company). The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). All significant intercompany accounts and transactions have been eliminated in consolidation.

Trade Receivables

The Company reports its trade receivables at cost, less an allowance for doubtful accounts. The Company's management evaluates its trade receivables and adjusts the allowance for doubtful accounts based upon factors surrounding the credit risk and activity of certain customers, historical trends, economic conditions, and other information. Trade receivables are written off after all reasonable means of collection have been exhausted or when the Company is notified that the customer has declared bankruptcy.

Unbilled Receivables

Unbilled receivables consist of services performed at billable value including out-of-pocket expenses, which will be billed in the subsequent period or billed subsequently upon the attainment of certain contractual milestones.

Investments – Available for Sale

Investments available for sale are not considered significant, and accordingly, have been reported as other current assets in the accompanying consolidated balance sheets as of April 30, 2012 and 2011.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets or, in the case of leasehold improvements, over the term of the underlying leases. Such periods generally range from 3 to 10 years.

Impairment of Long-Lived Assets

In accordance with U.S. GAAP, the Company reviews its long-lived assets periodically to determine potential impairment by comparing the carrying value of the long-lived assets with the estimated future cash flows expected to result from the use of such assets, including cash flows from disposition. Should the sum of the expected future cash flows be less than the carrying value, the Company would recognize an impairment loss. An impairment loss would be measured by comparing the amount by which the carrying value exceeds the estimated fair value of the long-lived assets. No impairment losses have been recognized for the years ended April 30, 2012 and 2011.

Goodwill

The Company accounts for goodwill in accordance with U.S. GAAP, which addresses the initial recognition and measurement of intangible assets acquired outside of a business combination and the accounting for goodwill and other intangible assets subsequent to acquisition. U.S. GAAP provides that goodwill has an infinite life and is not to be amortized, but rather is to be tested at least annually for impairment. Management evaluates the recoverability of goodwill annually or more frequently if events or changes in circumstances, such as a decline in revenue, earnings or cash flows, or material adverse changes in the business climate, indicate that the carrying value of goodwill might be impaired. As of April 30, 2012, the Company completed its annual impairment review and determined that an impairment charge was not required.

Revenue Recognition

The Company receives a significant portion of its operating revenue from contracts issued by various U.S. Government agencies. Accordingly, such revenues are recognized

as contract expenditures are incurred. The contracts include provisional indirect rates for billing purposes, which are not finalized until the contracting agency has approved the actual costs submitted. As of April 30, 2012, indirect rates have been finalized for all fiscal years through 2006. Management believes that all final rates will be at least equal to or greater than the provisional rates. While the Company believes the recorded amounts under these contracts to be appropriate, it is possible that management's estimate will change upon negotiation of the final rates with the respective governmental agencies.

Income Taxes

The Company has elected to be treated as an S Corporation as allowed by the Internal Revenue Code (IRC), which provides that for federal and certain state income tax reporting purposes, income is reportable by the Company's stockholder, the ESOP Trust, a tax-exempt entity. However, the IRC provides for a federal "built-in-gains" tax upon the future recognition of gains that existed inside of the corporation at the time of the S election. This is a federal tax at a 35% rate on any built-in-gains recognized during the first ten years as an S Corporation. Through the year ended April 30, 2010, the Company used the accrual basis of accounting for financial reporting purposes. However, the cash receipts and disbursements method of accounting was used for income tax reporting purposes. This method provided a significant deferral of income for income tax reporting purposes. This is the primary item that comprises the Company's built-in-gain at the time of the S election. For the years ended April 30, 2012 and 2011, the Company elected to use the accrual method of accounting for income tax reporting purposes, which allows the Company to report the cumulative deferral under the cash method of accounting over a four year period beginning in fiscal year 2011 and ending in fiscal year 2014.

The Company's consolidated statements of income for the years ended April 30, 2012 and 2011 includes a current provision for taxes due to the federal built-in-gain tax and various states which tax either the apportioned federal built-in-gain, do not recognize the federal S Corporation election, or impose an income or minimum tax for corporations doing business in the respective state. In addition, the consolidated statements of income for the years ended April 30, 2012 and 2011 also includes a credit to deferred taxes due to the recognition of one-quarter of the cumulative deferral under the cash method of accounting. As of April 30, 2012 and 2011, the liability for deferred taxes on income primarily represents the "built-in gains" taxes payable by the Company comprising the remaining cumulative difference between the accrual and cash methods of accounting remaining to be recognized.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. Pursuant to federal and state statutes of limitations, the tax returns that remain subject to examination by significant major tax jurisdictions as of April 30, 2012 are for returns relating to fiscal years subsequent to 2008.

Comprehensive Income

U.S. GAAP establishes standards for reporting comprehensive income and its components and requires that an enterprise (a) classify items of other comprehensive income by their nature in a financial statement and (b) display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in capital in the equity section of the balance sheets. The Company's accumulated other comprehensive income included in stockholder's equity consists of net unrealized gains on investments available for sale, net of related tax effects, as applicable.

Employee Stock Ownership Plan

In March 2003, the stockholders and Board of Directors approved a plan of recapitalization for the purpose of transferring a 51% equity interest in the Company to a newly established ESOP Trust. In April 2010, the stockholders and Board of Directors approved the transfer of the remaining 49% equity interest to the ESOP Trust. Upon the acquisition of the remaining 49% equity interest, all Class B voting shares acquired were subsequently converted into Class A voting shares.

In order to fund the cost associated with the ESOP's initial 51% ownership interest, the Company entered directly into a term loan agreement with a bank. The Company then entered into a loan agreement with the ESOP in an amount equal to term loan financing with the bank. With respect to the acquisition of the remaining 49% ownership interest, the Company entered directly into both a term and a one-day loan agreement with a bank in the aggregate amount of \$11,020,000. The Company then entered into a loan agreement with the ESOP for \$11,020,000. The one-day loan in the amount of \$6,020,000 was repaid immediately with funds borrowed from the former Class B stockholders. Also, see Note 11. The loans to the ESOP are secured by the unallocated ESOP shares.

Upon the initial funding of the ESOP, the Company recorded a \$6,932,765 charge to unearned ESOP shares. This charge represented the funds necessary for the ESOP to purchase 510,000 shares of common stock at a price of \$13.59 per share. With respect to the acquisition of the remaining 49% ownership interest, the Company recorded an \$11,020,000 charge to unearned ESOP shares. This charge represented the funds necessary for the ESOP to purchase 490,000 shares of common stock at a price of \$22.49 per share. Unearned shares are released as principal payments are made to the Company by the ESOP Trust. As unearned shares of the ESOP are released and allocated to employee accounts, a credit to unearned ESOP shares is recorded in an amount equal to the product of the shares released times the original acquisition price per share.

The Company records ESOP compensation expense based upon the number of ESOP shares to be allocated to employee accounts for the current ESOP plan year. For the shares acquired in connection with the 51% ownership acquisition, the number of shares to be allocated is based upon the percentage of principal paid by the ESOP for the current year in proportion to the total principal payments being made on the loan. This percentage is then multiplied by unallocated ESOP shares at the beginning of the year.

For the shares acquired in connection with the 49% ownership acquisition, the number of shares to be allocated is based upon the percentage of principal and interest paid by the ESOP for the current year in proportion to the total principal and interest payments being made on the loan. This percentage is then multiplied by unallocated ESOP shares at the beginning of the year. The resulting allocated shares are valued based upon the most recent independent appraisal of the outstanding shares. Any difference between the ESOP compensation expense for the current year and the credit to unearned ESOP shares is charged to retained earnings.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the allowance for doubtful accounts, depreciation and amortization, the estimated fair value of the Company's stock, and costs billed to U.S. government agencies which are subject to audit and adjustment.

Subsequent Events

Management has evaluated subsequent events through August 7, 2012, which is the date the consolidated financial statements were available to be issued.

2. ACQUISITION

On December 29, 2011, the Company acquired CTG for an aggregate purchase price of approximately \$5,358,000, net of adjustments as defined in the purchase agreement.

In addition to cash payments, this acquisition was financed through additional borrowings on the 2008 term note payable in the amount of \$2,000,000 (see Note 4) and the execution of a loan payable to a former stockholder of CTG in the amount of \$2,407,328 (see Note 4).

This acquisition has been accounted for under the purchase method of accounting and has been included in the Company's operations since the date of acquisition.

The following table summarizes the estimated fair values of assets acquired and liabilities assumed as of December 29, 2011:

<u>Assets Acquired</u>	
Cash	\$ 5,838
Accounts receivable	1,052,108
Prepaid expenses	29,130
Property and equipment	86,611
Deposits	31,770
Subtotal	<u>1,205,457</u>
Goodwill	4,689,951
Total assets acquired	<u>\$ 5,895,408</u>
 <u>Liabilities Assumed</u>	
Accounts payable	\$ 209,922
Accrued liabilities	327,106
Total liabilities assumed	<u>\$ 537,028</u>

Management believes that this acquisition resulted in the recognition of goodwill primarily due to the fact that the acquisition will provide the Company with a platform to grow its energy and green building consulting segment which should augment and lead to additional contract revenue.

In the allocation of the purchase cost, \$4,689,951 was assigned to goodwill. This represents the excess of the purchase price over the estimated fair value of the assets acquired. Goodwill will not be amortized but will be subject to annual impairment testing. Goodwill will be amortized over fifteen years for income tax reporting purposes.

3. NOTE PAYABLE - BANK

The Company maintains a line-of-credit agreement with a bank for working capital purposes. The line-of-credit agreement provides for maximum available borrowings, including letters of credit outstanding, of the lesser of \$6,000,000 or the sum of 90% of eligible government accounts receivable plus 80% of other eligible receivables, plus 50% of unbilled accounts receivable, minus any and all outstanding indebtedness to the bank, as defined in the agreement. Such agreement is secured by substantially all assets of the Company. The agreement requires monthly interest payments at the Company's election of either the bank's prime rate or either the one, three, nine or twelve month London Interbank Offered Rates (LIBOR) plus a margin of either 1.75% or 2.00%. The LIBOR margin is dependent on the Company's leverage ratio, as calculated on a quarterly basis. As of April 30, 2012, the one, three, nine and twelve month LIBOR ranged from 0.239% to 1.047% and the bank's prime rate was 3.25%. In addition, the Company is required to pay a commitment fee equal to .38% of the unused available borrowings.

The line-of-credit agreement was renewed in May 2012 and matures on May 1, 2013. There were no amounts outstanding under this agreement as of April 30, 2012 and 2011.

In connection with the line-of-credit agreement and term notes payable to a bank discussed in Note 4, the Company is subject to certain restrictive covenants that require, among other things, a minimum fixed charge coverage ratio and a maximum leverage ratio.

4. LONG-TERM DEBT

As of April 30, 2012 and 2011, long-term debt consisted of the following:

	<u>2012</u>	<u>2011</u>
On April 30, 2010, the Company entered into a term note payable (2010 term note payable) with a bank for the purpose of partially funding the ESOP's acquisition of the remaining 49% ownership interest in Cadmus stock. Such note is secured by substantially all assets of the Company. The 2010 term note payable required interest at the Company's election of either the one, three, nine or twelve month LIBOR Rates plus 2.00%, and required monthly principal payments of \$59,524 plus accrued interest through May 1, 2015, at which time all unpaid principal and interest was due. In May 2011, the Company amended its 2010 term note payable to provide \$2,000,000 in additional borrowings to be used for the repayment of a portion of the two unsecured subordinated notes payable to two former stockholders of the Company as discussed in Note 11. Such amended note requires monthly principal payments of \$83,333 plus accrued interest through May 1, 2016, at which time all unpaid principal and interest is due. The amended 2010 term note payable requires interest at the Company's election of either the bank's prime rate or the one, three, nine or twelve month LIBOR plus a margin of either 1.75% or 2.00%. The LIBOR margin is dependent on the Company's leverage ratio, as calculated on a quarterly basis.	\$ 5,369,048	\$ 4,345,238

	2012	2011
Brought forward	\$ 5,369,048	\$ 4,345,238
On May 1, 2008, the Company entered into a \$4,000,000 term note payable (2008 term note payable) with a bank to provide funds for a business acquisition. Such note is secured by substantially all assets of the Company. The 2008 term note payable originally required interest at the Company's election of either the one, three, nine or twelve month LIBOR Rates plus 2.00% and required monthly principal payments of \$47,619 plus accrued interest through May 1, 2013, at which time all unpaid principal and interest was due. In February 2012, the Company amended the 2008 term note payable to provide \$2,000,000 in additional borrowings to finance a business acquisition; see Note 2. Such amended note requires monthly principal payments of \$47,619 plus accrued interest through May 1, 2016, at which time all unpaid principal and interest is due. The 2008 term note payable bears interest at the Company's election of either the bank's prime rate or the one, three, nine or twelve month LIBOR plus a margin of either 1.75% or 2.00%. The LIBOR margin is dependent on the Company's leverage ratio, as calculated on a quarterly basis.	3,761,904	2,333,333
Unsecured loan payable to a former stockholder of CTG requiring annual principal payments of \$727,328 in 2013 and \$840,000 in 2014 and 2015, plus accrued interest at 6% per annum.	2,407,328	-
Total	11,538,280	6,678,571
Less current portion	2,298,757	1,285,715
Long-term portion	\$ 9,239,523	\$ 5,392,856

As of April 30, 2012, scheduled maturities of long-term debt are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2013	\$ 2,298,757
2014	2,411,429
2015	2,411,429
2016	1,571,429
2017	<u>2,845,236</u>
Total	<u>\$ 11,538,280</u>

Also, see Note 3 as to restrictive covenants in connection with the term notes payable referred to above and the Company's line-of-credit agreement.

5. FAIR VALUE MEASUREMENTS

U.S. GAAP defines fair value and establishes a framework for measuring fair value. It establishes a fair value hierarchy that distinguishes between assumptions developed based on market data obtained from independent external sources and an entity's own assumptions. The fair value measurement should consider adjustment for risk, such as risk inherent in a valuation technique or its input. The fair value hierarchy assigns priorities to the inputs to valuation techniques into three broad levels as follows:

- Level 1 – Generally quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices in active markets that are observable for the asset or liability.
- Level 3 – Generally are unobservable and allow for situations in which there is little, if any, market activity.

Goodwill is recorded on the cost basis method and reported at fair value on a nonrecurring basis. The following table provides fair value measurement information for goodwill at April 30, 2012 and 2011.

	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
2012				
Goodwill	\$ 14,766,262	\$ -	\$ -	\$ 14,766,262
2011				
Goodwill	\$ 10,024,737	\$ -	\$ -	\$ 10,024,737

For the year ended April 30, 2012, level 3 activity consisted of increases resulting from the recording of goodwill related to the purchase of CTG of \$4,689,951 and additional earn-out amounts of \$51,574 related to a prior business acquisition.

6. EMPLOYEE STOCK OWNERSHIP PLAN

Employees become eligible to participate in the ESOP upon reaching 21 years of age and having completed 1,000 hours of employment during the twelve month period immediately prior to the year in which they joined the ESOP.

Individual accounts are maintained for each participant in the ESOP. On an annual basis, each participant's stock account is credited with such participant's allocated share of company stock that has been earned by the ESOP or contributed in kind by the Company, and with shares of company stock forfeited by participants that terminated their participation in the ESOP. The ESOP is required to repurchase vested shares from separated employees of the Company.

The Company makes annual contributions to the ESOP equal to the debt service on the ESOP's loan. As the debt is repaid, shares are released from collateral and allocated to eligible participants' accounts according to the ratio that each eligible participant's compensation bears to the total compensation of all eligible participants. Any dividends received by the ESOP will be allocated as outlined in the Plan document. As shares are released from collateral and allocated to employee accounts, the Company reports compensation expense equal to the current fair market value of allocated shares. Fair market value of the shares is determined based upon annual appraisals performed by a qualified independent appraiser. The fair market value of the shares used in the calculation of the ESOP compensation expense was \$20.46 and \$16.37 per share for the years ended April 30, 2012 and 2011, respectively.

For the years ended April 30, 2012 and 2011, the Company made principal and interest contributions to the ESOP totaling approximately \$1,686,000 and \$1,253,000, respectively, which the ESOP repaid to the Company in accordance with the loan agreement between the Company and the ESOP. No dividends were declared in 2012 or 2011.

In May 2012, the ESOP loan was amended to modify the repayment terms from a ten year amortization schedule to a fifteen year amortization schedule.

Scheduled annual principal and interest payments due on the ESOP's outstanding loan to the Company, which are the basis for determining future annual ESOP compensation expense, are due as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 753,504	\$ 415,888	\$ 1,169,392
2014	753,504	382,734	1,136,238
2015	753,504	349,580	1,103,084
2016	753,504	317,266	1,070,770
2017	753,504	283,272	1,036,776
2018 and thereafter	<u>6,028,032</u>	<u>1,073,211</u>	<u>7,101,243</u>
Total	<u>\$ 9,795,552</u>	<u>\$ 2,821,951</u>	<u>\$12,617,503</u>

ESOP compensation expense for the years ended April 30, 2012 and 2011 was as follows:

	<u>2012</u>	<u>2011</u>
Fair value of shares released for allocation	\$ 1,232,978	\$ 1,323,399

The ESOP shares and fair value of unallocated shares as of April 30, 2012 and 2011 were as follows:

	<u>2012</u>	<u>2011</u>
ESOP Shares:		
Allocated shares - beginning of year	527,283.30	446,440.94
Shares released for allocation	<u>60,262.89</u>	<u>80,842.36</u>
Total allocated shares	587,546.19	527,283.30
Unearned shares	<u>412,453.81</u>	<u>472,716.70</u>
Total ESOP shares	<u>1,000,000.00</u>	<u>1,000,000.00</u>
Fair value of unearned shares	<u>\$ 8,438,805</u>	<u>\$ 7,738,372</u>

7. DEFINED CONTRIBUTION PLAN

The Company sponsors a defined contribution plan covering substantially all of its employees. Such plan qualifies under Section 401(k) of the IRC. Under the terms of the plan, employees are allowed to contribute a portion of their annual compensation up to the maximum amount allowed by the IRC. The Company matches employees' contributions up to 3% of each employee's total compensation, subject to IRC limitations. For the years ended April 30, 2012 and 2011, the Company's contribution to the plan was approximately \$628,000 and \$531,000, respectively.

8. STOCK APPRECIATION RIGHTS PLAN

On April 30, 2010, the Company established The Cadmus Group Stock Appreciation Rights Plan (the Plan). The Plan is effective beginning May 1, 2010 and will continue until April 30, 2020 unless terminated earlier by the Board of Directors. Each stock appreciation right (SAR) entitles the holder to receive an amount in cash, equal to the amount of the increase in the fair market value of the Company's stock over the fair market value or exercise price at the date of SAR grant. SARs become fully vested in the event of the sale of more than 50% of the issued and outstanding stock of the Company. Redemption of vested SARs occur on the earlier of (a) the participant's separation of employment with the Company, (b) the sale of the Company or (c) redemption by the Company during a window period, whereby participants may elect to exercise their vested SARs. Fair market value is determined by the Board of Directors based upon the most recent appraisal of the Company stock performed by an independent appraiser.

Under the Plan, the Company has 250,000 SARs reserved and available for issuance to eligible employees at the discretion of the Board of Directors. With the consent of the ESOP Trustee, the Board of Directors of the Company may grant an additional 50,000 SARs based upon the financial performance of the Company. The former Class B stockholders of the Company are not eligible for participation in the Plan.

The Board of Directors may grant three types of SARs to eligible employees: Retention SARs, Performance SARs and Inducement SARs. The rights under each of the three types of SARs grants are equivalent. The Board of Directors have imposed certain limitations and fiscal performance requirements on the number and type of SARs that can be issued in each fiscal year as defined in the Plan agreement. Compensation cost and related liabilities will be recognized in accordance with the five-year vesting schedule period and, subsequently through the date of settlement, if later. The SARs will be remeasured at each financial reporting date through the date of settlement.

A summary of the status of the Company's SARs as of April 30, 2012 and 2011, and the changes during the years then ended, is presented below:

	Number of SARs	Average Estimated Fair Value at Grant Date	Share-Based Payments
SARs outstanding, April 30, 2010	75,000	\$ 16.62	-
Granted	36,000	16.37	-
Exercised	-	-	-
Forfeited	-	-	-
SARs outstanding, April 30, 2011	111,000	16.54	-
Granted	2,000	20.46	-
Exercised	-	-	-
Forfeited	-	-	-
SARs outstanding, April 30, 2012	113,000	\$ 16.61	-

As of April 30, 2012, the fair market value of the Company's stock was \$20.46 per share. The Company recognized \$72,000 of compensation cost related to the SARs grants for the year ended April 30, 2012, with such costs included within salaries and employee benefits in the accompanying consolidated statements of income. In addition, the Company has recorded a liability in the amount of \$72,000 at April 30, 2012, which represents the amount the Company would be required to pay if the SARs were all exercised based on the fair market value of the underlying stock at April 30, 2012. As of April 30, 2011, all outstanding SARs grants were nonvested and the exercise price of all outstanding SARs exceeded the estimated fair value of the Company's stock. Therefore, compensation cost relating to the SARs grants and a related liability were not recorded for the year ended April 30, 2011.

Nonvested SARs consist of the following:

	Number of SARs	Intrinsic Value	Value of SARs That Vested
Nonvested SARs, April 30, 2010	75,000	\$ -	
Granted	36,000	-	
Vested	-		
Forfeited	-		
Nonvested SARs, April 30, 2011	111,000	-	
Granted	2,000	-	
Vested	(18,750)	3.84	\$ 72,000
Forfeited	-		
Nonvested SARs, April 30, 2012	94,250	3.85	

9. COMMITMENTS AND CONTINGENCIES

Letters of Credit

As of April 30, 2012, the Company had one outstanding letter of credit of approximately \$246,000. Such letter of credit reduces the available borrowings on the Company's line-of-credit agreement.

Employment Agreements

The Company maintains employment agreements with certain executives. In the event of termination without cause during the term of the employment agreement period, the Company is obligated to make certain minimum payments in a manner as prescribed in the agreements. Such employment agreements expire at various times through April 2016.

Operating Leases

The Company leases certain office space under non-cancelable operating leases. The leases, which expire at various dates through June 2022, contain renewal options, known escalation clauses, and provide for the payment of contingent lease payments based upon escalation of real estate taxes and certain operating expenses. Aggregate rent expense for such operating leases was approximately \$2,928,000 and \$2,400,000 for the years ended April 30, 2012 and 2011, respectively.

In November 2011, the Company entered into a non-cancelable operating lease agreement for office space in Waltham, MA that will serve as the Company's corporate headquarters. The lease period begins in June 2012 and expires in June 2022.

The Company periodically subleases portions of its office space under non-cancelable agreements. Total rental income received under such sublease agreements for the years ended April 30, 2012 and 2011 was approximately \$67,000 and \$45,000, respectively. As of April 30, 2012, there was one sublease agreement in place. The agreement expires in December 2012 and requires future minimum lease payments of approximately \$48,000.

As of April 30, 2012, approximate future minimum operating lease payments required under the non-cancelable operating leases noted above are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2013	\$ 3,059,000
2014	2,886,000
2015	2,557,000
2016	1,717,000
2017	1,297,000
2018 and thereafter	<u>5,045,000</u>
Total	<u>\$ 16,561,000</u>

10. TAXES ON INCOME

As of April 30, 2012 and 2011, the components of the net deferred tax liability as presented in the accompanying consolidated balance sheets are as follows:

	<u>2012</u>	<u>2011</u>
Gross deferred tax asset	\$ -	\$ -
Gross deferred tax liability	<u>(1,578,281)</u>	<u>(2,356,281)</u>
Net deferred tax liability	<u>\$ (1,578,281)</u>	<u>\$ (2,356,281)</u>

For the years ended April 30, 2012 and 2011, the primary temporary difference that gave rise to the net deferred tax liability was the built-in-gain tax on the conversion to the accrual method of accounting from the cash method of accounting for income tax reporting purposes. In addition, there were minor differences in both years relating to depreciation and amortization.

The components of the provision for taxes on income for the years ended April 30, 2012 and 2011 are as follows:

	2012	2011
Provision for current taxes on income:		
Federal	\$ 665,000	\$ 665,000
State	230,000	354,000
Total	<u>895,000</u>	<u>1,019,000</u>
Credit for deferred taxes on income:		
Federal	(665,000)	(612,000)
State	(113,000)	(100,000)
Total	<u>(778,000)</u>	<u>(712,000)</u>
 Total provision for taxes on income	 <u>\$ 117,000</u>	 <u>\$ 307,000</u>

As of April 30, 2012 and 2011, refundable taxes on income represent federal and state estimated income tax payments in excess of the required tax liabilities for the years then ended.

11. RELATED PARTY TRANSACTIONS

Subordinated Notes Payable – Related Parties

On April 30, 2010, the Company entered into two unsecured subordinated notes payable with two former stockholders of the Company. Such former stockholders are also employees of the Company. Such notes are subordinate to the note-payable bank (as discussed in Note 3) and to the long-term debt (as discussed in Note 4). In accordance with a subordination agreement with the bank, the Company is prohibited from making principal payments on such notes until 91 days after the senior indebtedness has been paid in full, or until otherwise authorized by the bank, whichever is first. Accordingly, such subordinated notes payable have been classified as long-term in the accompanying consolidated balance sheets as of April 30, 2012 and 2011. Such notes bear interest at 7% and require monthly payments of interest through August 1, 2016, at which time all unpaid principal and interest is due. During 2012, the Company, with the authorization of the bank, made payments of \$2,000,000 on such notes payable through additional borrowings under the 2010 term note payable discussed in Note 4. Interest expense on the subordinated notes payable – related parties amounted to approximately \$281,000 and \$421,000 for the years ended April 30, 2012 and 2011, respectively.

Warrants

On April 30, 2010, the Company entered into two unsecured subordinated notes payable with two former stockholders of the Company. In connection with the two unsecured subordinated notes payable – related parties entered into on April 30, 2010, each note has attached to it a warrant that will permit the holder to purchase, in the aggregate, up to 33,270 shares of Class B voting common stock of the Company for \$16.62. Each warrant may be exercised beginning on the date the subordinated notes are paid in full and at any time during the five years thereafter, or upon a change in control, as defined in the agreement. The Company has the option to call and purchase the warrants at any time following the exercise date, as defined in the agreement.

12. MAJOR CUSTOMER AND CONCENTRATIONS OF CREDIT RISK

Financial instruments which subject the Company to a concentration of credit risk consist principally of cash and trade and unbilled receivables.

The Company maintains all cash deposits with their principal bank as required by the loan agreements. As of and during the year ended April 30, 2012, cash deposits exceeded the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000. Management considers such circumstances to be necessary and normal business risks.

For the years ended April 30, 2012 and 2011, contracts with the U.S. Government represented approximately 40% and 42%, respectively, of contract revenue. In addition, amounts due from the U.S. Government represent approximately 34% of trade and unbilled receivables as of April 30, 2012.

13. SUPPLEMENTAL CASH FLOW INFORMATION

Net cash flows from operating activities, as reported in the accompanying consolidated statements of cash flows for the years ended April 30, 2012 and 2011, reflect cash payments for income taxes and interest as follows:

	2012	2011
Income taxes paid	\$ 928,000	\$ 1,401,000
Interest paid	456,000	579,000

The accompanying consolidated statement of cash flows for the year ended April 30, 2012 excludes the effect of noncash investing and financing activities relating to the following activities:

- The acquisition of CTG, as referred to in Note 2, through the execution of long-term debt in the amount of approximately \$4,407,000.
- The payment of \$2,000,000 on the subordinated notes payable through additional borrowings on the 2010 term note payable.

The accompanying consolidated statement of cash flows for the year ended April 30, 2011, excludes the effect of noncash investing and financing activities relating to the addition to goodwill through the accrual of purchase considerations in the amount of \$1,653,646.

FEDERAL IDENTIFICATION NO. 04-2793755

The Commonwealth of Massachusetts

William Francis Galvin Secretary of the Commonwealth One Ashburton Place, Boston, Massachusetts 02108-1512

RESTATED ARTICLES OF ORGANIZATION (General Laws, Chapter 156B, Section 74)

Examiner

Name Approved

We, Ralph T. Jones, President and Gene E. Fax, Clerk / Assistant Clerk

and Gene E. Fax, Clerk / Assistant Clerk

of The Cadmus Group, Inc. (Exact name of corporation)

located at 57 Water Street, Watertown, Massachusetts 02472 (Street address of corporation Massachusetts)

do hereby certify that the following Restatement of the Articles of Organization was duly adopted by written consent dated March 4, 2003 of the directors and by written consent dated March 4, 2003 of the stockholders holding the following shares:

- 900 shares of common (voting) of 900 shares outstanding
140,000 shares of common (non-voting) of 140,000 shares outstanding

two-thirds of each type, class or series outstanding and entitled to vote thereon and of each type, class or series of stock whose rights are adversely affected thereby.

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ARTICLE I The name of the corporation is: The Cadmus Group, Inc.

ARTICLE II The purpose of the corporation is to engage in the following business activity(ies): See Continuation Sheet 2A.

*Delete the inapplicable words. **Delete the inapplicable clause. Note: If the space provided under any article or item on this form is insufficient, additions shall be set forth on separate 8 1/2 x 11 sheets of paper with a left margin of at least 1 inch.

P.C.

ARTICLE III

State the total number of shares and par value, if any, of each class of stock which the corporation is authorized to issue:

WITHOUT PAR VALUE		WITH PAR VALUE		
TYPE	NUMBER OF SHARES	TYPE	NUMBER OF SHARES	PAR VALUE
Common:		Class A Common:	1,250,000	\$0.01
		Class B Common:	740,000	\$0.01
Preferred:		Preferred:		

ARTICLE IV

If more than one class of stock is authorized, state a distinguishing designation for each class. Prior to the issuance of any shares of a class, if shares of another class are outstanding, the corporation must provide a description of the preferences, voting powers, qualifications, and special or relative rights or privileges of that class and of each other class of which shares are outstanding and of each series then established within any class.

See Continuation Sheet 4A.

ARTICLE V

The restrictions, if any, imposed by the Articles of Organization upon the transfer of shares of stock of any class are:

See Continuation Sheet 5A.

ARTICLE VI

**Other lawful provisions, if any, for the conduct and regulation of the business and affairs of the corporation, for its voluntary dissolution, or for limiting, defining, or regulating the powers of the corporation, or of its directors or stockholders, or of any class of stockholders:

See Continuation Sheets 6A and 6B.

***If there are no provisions state "None".*

Note: The preceding six (6) articles are considered to be permanent and may ONLY be changed by filing appropriate Articles of Amendment.

ARTICLE VII

The effective date of the restated Articles of Organization of the corporation shall be the date approved and filed by the Secretary of the Commonwealth. If a later effective date is desired, specify such date which shall not be more than thirty days after the date of filing.

ARTICLE VIII

The information contained in Article VIII is not a permanent part of the Articles of Organization.

a. The street address (post office boxes are not acceptable) of the principal office of the corporation in Massachusetts is: 57 Water Street, Watertown, Massachusetts 02472

b. The name, residential address and post office address of each director and officer of the corporation is as follows:

	NAME	RESIDENTIAL ADDRESS	POST OFFICE ADDRESS
President:	Ralph T. Jones	26 Prentiss Lane, Belmont, MA	02478
Treasurer:	Gene E. Fax	148 Mill Street, Newton, MA	02459
Clerk:	Gene E. Fax	148 Mill Street, Newton, MA	02459

Officers:

Assistant Clerk: Alan V. Seferian 10 Augustus Road, Lexington, MA 02461

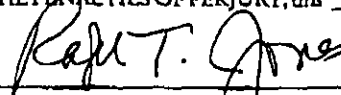
Directors:	NAME	RESIDENTIAL ADDRESS	POST OFFICE ADDRESS
	Ralph T. Jones	26 Prentiss Lane, Belmont, MA	02478
	Gene E. Fax	148 Mill Street, Newton, MA	02459
	Sherry H. Jones	26 Prentiss Lane, Belmont, MA	02478
	Ruth G. Fax	148 Mill Street, Newton, MA	02459

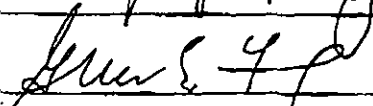
c. The fiscal year (i.e., tax year) of the corporation shall end on the last day of the month of April

d. The name and business address of the resident agent, if any, of the corporation is: Not Applicable

--We further certify that the foregoing Restated Articles of Organization affect no amendments to the Articles of Organization of the corporation as heretofore amended, except amendments to the following articles. Briefly describe amendments below: See Continuation Sheet 8A.

SIGNED UNDER THE PENALTIES OF PERJURY, this 4TH day of March, 2003

 _____ Ralph T. Jones, *President / ~~Chief Executive Officer~~

 _____ Gene E. Fax, *Clerk / ~~Secretary~~

*Delete the inapplicable words. **If there are no amendments, state 'None'.

THE COMMONWEALTH OF MASSACHUSETTS
 RESTATED ARTICLES OF ORGANIZATION
 (General Laws, Chapter 156B, Section 74)

I hereby approve the within Restated Articles of Organization and, the filing fee in the amount of \$ _____, having been paid, said articles are deemed to have been filed with me this _____ day of _____, 20 _____.

Effective Date: _____

WILLIAM FRANCIS GALVIN
Secretary of the Commonwealth

TO BE FILLED IN BY CORPORATION
 Photocopy of document to be sent to:

 Marina I. Cardoso, Esq.
 Goodwin Procter LLP
 53 State Street

 Boston, MA 02109

 Telephone: (617) 570-1060

The Cadmus Group, Inc.Continuation Sheet 2AARTICLE II

The purpose of the Corporation is to engage in the following business activities:

To carry on the business of consulting and providing professional analysis and advisory and information services relating to business, scientific, technical, economic, political or sociological functions of business, governmental, commercial or charitable organizations or other entities; and generally to advise and assist others, under contract or otherwise, in the management of their businesses, or in the providing of scientific, technical, economic, political, or sociological analysis.

To lease, purchase, or otherwise acquire real estate and/or personal property of any and every nature, and/or any interest therein, reasonably necessary or convenient for effecting or furthering any one or more of the purposes or powers of the Corporation, or any of its businesses. To pay for the same in cash, in stock, notes, or bonds of the Corporation or otherwise. To hold, use, manage, improve, mortgage, sell or otherwise dispose of the same.

To borrow money or otherwise incur indebtedness or liability or to guarantee the indebtedness or liability or responsibility of other persons, for the carrying on of the business of the Corporation or for carrying out, effecting, or furthering any one or more of the purposes or powers of the Corporation.

To apply for, purchase or otherwise acquire and use, operate, sell, assign, transfer, or otherwise dispose of processes, formulae, patents, licenses, trademarks, copyrights, or other rights in any and all inventions, improvements, processes, formulae, patents, copyrights, licenses, and trademarks whether secured or not under letters patent of the United States or of any other state or to use, work, or develop the same in the conduct of any business, manufacturing or otherwise, in any part of the United States or any foreign country.

In furtherance and not in limitation of the foregoing purposes and powers, to do any and all things and to exercise any and all powers necessary, convenient, or advisable to accomplish one or more of the purposes of the Corporation, or which shall at any time appear to be for the benefit of the Corporation in connection therewith, which may now or thereafter be lawful for the Corporation to do or exercise under and in pursuance of the laws of the Commonwealth of Massachusetts.

The objects and purposes specified in the foregoing clauses shall, except where otherwise expressed, be in nowise limited or restricted by reference or inference from the terms of any other clause in the Articles of Organization, but the object and purposes specified in each of the foregoing clauses of this Article shall be regarded as independent objects and purposes.

The Cadmus Group, Inc.Continuation Sheet 4AARTICLE IV

The Common Stock of the Corporation shall be issued in two classes, designated Class A and Class B. The preferences, voting power, dividend rights, qualifications, rights and privileges of shares of Class A Common Stock and shares of Class B Common Stock shall be identical in every respect, except that:

(a) if there are profits, surplus or other funds of the Corporation legally available for the purpose, the Board of Directors may, in its discretion from time to time, declare and authorize the payment of dividends in cash on the outstanding shares of both Class A and Class B Common Stock in equal amounts per share or declare and authorize the payment of dividends in cash on the outstanding shares of Class A Common Stock without at the same time declaring and paying such dividends on the outstanding shares of Class B Common Stock;

(b) the shares of Class A Common Stock may not be owned by any person or entity other than The Cadmus Group Employee Stock Ownership Plan (the "Plan") provided, however, that Class A Common Stock may be owned by current stockholders of the Corporation who acquire the Class A Common Stock for the purpose of selling such stock to the Plan within thirty (30) days of the filing of this Restated Articles of Organization; and

(c) any shares of Class B Common Stock acquired by the Plan at any time shall be automatically converted to the same number of shares of Class A Common Stock.

The Cadmus Group, Inc.

Continuation Sheet 5A

ARTICLE V

Shares of Class A Common Stock may not be owned by any person or entity other than the Plan; provided, however, that Class A Common Stock may be owned by current stockholders of the Corporation who acquire the Class A Common Stock for the purpose of selling such stock to the Plan within thirty (30) days of the filing of this Restated Articles of Organization.

The Cadmus Group, Inc.Continuation Sheet 6AArticle 6A. VOTE OF THE STOCKHOLDERS

The Corporation may authorize, at a meeting duly called for such purpose, by a vote of the holders of not less than a majority of the outstanding shares of each class of stock outstanding and entitled to vote thereon:

1. any amendment of its Articles of Organization;
2. the sale, lease or exchange of all or substantially all of its property and assets, including its good will upon such terms and conditions as are deemed expedient;
3. the merger or consolidation of the Corporation with or into one or more other corporations; and
4. the liquidation or dissolution of the Corporation.

Article 6B. LIMITATION OF LIABILITY OF DIRECTORS

1. No director of this Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director notwithstanding any provision of law imposing such liability; provided, however, that this Article shall not eliminate or limit any liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Sections 61 or 62 of the Massachusetts Business Corporation Law, or (iv) with respect to any transaction from which the director derived an improper personal benefit.

2. No amendment or repeal of this Article shall adversely affect the rights and protection afforded to a director of this Corporation under this Article for acts or omissions occurring prior to such amendment or repeal.

3. The provisions of this Article shall not eliminate or limit the liability of a director of this Corporation for any act or omission occurring prior to the date on which this Article became effective.

The Cadmus Group, Inc.Continuation Sheet 6BArticle 6C. TRANSACTIONS WITH INTERESTED PERSONS

1. Unless entered into in bad faith, no contract or transaction by this Corporation shall be void, voidable or in any way affected by reason of the fact that it is with an Interested Person.

2. For the purposes of this Article, "Interested Person" means any person or organization in any way interested in this Corporation whether as an officer, director, stockholder, employee or otherwise, and any other entity in which any such person or organization or this Corporation is in any way interested.

3. Unless such contract or transaction was entered into in bad faith, no Interested Person, because of such interest, shall be liable to this Corporation or to any other person or organization for any loss or expense incurred by reason of such contract or transaction or shall be accountable for any gain or profit realized from such contract or transaction, provided that the Interested Person reasonably believed the contract or transaction to be in the best interests of the Corporation.

4. The provisions of this Article shall be operative notwithstanding the fact that the presence of an Interested Person was necessary to constitute a quorum at a meeting of directors or stockholders of this Corporation at which such contract or transaction was authorized or that the vote of an Interested Person was necessary for the authorization of such contract or transaction.

Article 6D. STOCKHOLDERS' MEETINGS

Meetings of stockholders of this Corporation may be held anywhere in the United States.

Article 6E. AMENDMENT OF BY-LAWS

The By-Laws may provide that the Board of Directors as well as the stockholders may make, amend or repeal the By-Laws of this Corporation, except with respect to any provision thereof which by law, by these Articles or by the By-Laws requires action by the stockholders.

Article 6F. ACTING AS A PARTNER

This Corporation may be a partner in any business enterprise which it would have power to conduct by itself.

The Cadmus Group, Inc.**Continuation Sheet 8A**

We further certify that the foregoing Restated Articles of Organization effect no amendments to the Articles of Organization of the Corporation as heretofore amended, except amendments to the following articles:

Article III: Article III was amended to change the authorized shares from 1,000 shares of Voting Common Stock, \$0.001 par value, and 299,000 shares of Non-Voting Common Stock, \$0.001 par value, to 1,250,000 shares of Class A Common Stock, \$0.01 par value, and 740,000 shares of Class B Common Stock, \$0.01 par value.

Article IV: Article IV was amended to reflect the distinguishing designation for Class A Common Stock and Class B Common Stock.

Article V: The restrictions set forth in the Articles of Organization upon the transfer of shares of stock were revised.

Article VI: The lawful provisions for the conduct and regulation of the business and affairs of the Corporation, for its voluntary dissolution, or for limiting, defining or regulating the powers of the Corporation, or of its directors or stockholders were revised as follows:

- a. **Additional Provisions:** Language governing the required vote of the stockholders and limitation of liability of directors and transactions with interested persons was added.
- b. **Deleted Provisions:** Language governing the indemnification of directors and officers was deleted.



Corporations

[Online Services](#) | [Corporations](#) | [Forms](#) | [Contact Corporations](#) | [Business Services](#)

- Search
- By Business Name
- By Business Entity ID
- Verify
- Verify Certification
- Online Orders
- Register for Online Orders
- Order Good Standing
- Order Certified Documents
- Order Business List
- My Images
- Search for Images

Business Entity Filing History

Date: 8/5/2013 (Select the link above to view the Business Entity's Filing History)

Business Name History

Name	Name Type
THE CADMUS GROUP, INC.	Current Name

Business Corporation - Foreign - Information

Entity Number:	2000361
Status:	Active
Entity Creation Date:	1/28/1991
State of Business.:	MA
Registered Office Address:	661 Spruce Dr West Chester PA 19382 Chester
Mailing Address:	No Address

Officers

Name:	RALPH T JONES
Title:	President
Address:	100 5TH AVE WALTHAM MA 02451-8703

Name:	GENE E FAX
Title:	Treasurer
Address:	100 5TH AVE WALTHAM MA 02451-8703

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/1/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Mack, Mack & Waltz Insurance Group, Inc. 1211 S Military Trail Suite 100 Deerfield Beach FL 33442	CONTACT NAME: Colette Navarro PHONE (A/C No. Ext): (954) 640-6225 FAX (A/C No.): (954) 640-6226 E-MAIL ADDRESS: cnavarro@mackinsurance.com	
	INSURER(S) AFFORDING COVERAGE	
INSURED The Cadmus Group, Inc. 100 5th Avenue, Suite 100 Waltham MA 02451	INSURER A: Travelers Insurance Company	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** CL12102927081 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EBL Included GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	X	X	P-630-4A324299-TIA-12	10/31/2012	10/31/2013	EACH OCCURRENCE \$ 1,000,000. DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000. MED EXP (Any one person) \$ 5,000. PERSONAL & ADV INJURY \$ 1,000,000. GENERAL AGGREGATE \$ 2,000,000. PRODUCTS - COMP/OP AGG \$ 2,000,000. \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			P-630-4A324299-TIA-12	10/31/2012	10/31/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000. BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTIONS 0.			PFS-EX-4A324299-TIL-12	10/31/2012	10/31/2013	EACH OCCURRENCE \$ 10,000,000. AGGREGATE \$ 10,000,000. \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WC201213 WCCA201213	10/31/2012 10/31/2012	10/31/2013 10/31/2013	WC STATU-TORY LIMITS <input checked="" type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000. E.L. DISEASE - EA EMPLOYEE \$ 1,000,000. E.L. DISEASE - POLICY LIMIT \$ 1,000,000.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER The Cadmus Group, Inc. 100 Fifth Avenue, Suite 100 Waltham, MA 02451	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Paul Mack/MARIA



CERTIFICATE OF LIABILITY INSURANCE

OP ID: SH

DATE (MM/DD/YYYY)

11/01/12

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


PRODUCER SCS Agency, Inc. P.O. Box 220493 11 Grace Avenue - Suite 300 Great Neck, NY 11022-0493	516-466-6007 516-829-5857	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: CADMU-1	FAX (A/C, No):													
	INSURED The Cadmus Group, Inc 100 Fifth Avenue Ste 100 Waltham, MA 02451		<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: Catlin Insurance Co.</td> <td></td> </tr> <tr> <td>INSURER B: Federal Insurance Co.</td> <td>20281</td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Catlin Insurance Co.		INSURER B: Federal Insurance Co.	20281	INSURER C:		INSURER D:		INSURER E:		INSURER F:
INSURER(S) AFFORDING COVERAGE	NAIC #															
INSURER A: Catlin Insurance Co.																
INSURER B: Federal Insurance Co.	20281															
INSURER C:																
INSURER D:																
INSURER E:																
INSURER F:																

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		2051411012	10/31/12	10/31/13	EACH OCCURRENCE \$ 4,000,000
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Professional Liab <input checked="" type="checkbox"/> Contractors Poll					DAMAGE TO RENTED PREMISES (Ea occurrence) \$
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					MED EXP (Any one person) \$
						PERSONAL & ADV INJURY \$
						GENERAL AGGREGATE \$ 4,000,000
						PRODUCTS - COMP/OP AGG \$
						\$
	AUTOMOBILE LIABILITY					COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					BODILY INJURY (Per person) \$
						BODILY INJURY (Per accident) \$
						PROPERTY DAMAGE (Per accident) \$
						\$
						\$
	UMBRELLA LIAB					EACH OCCURRENCE \$
	EXCESS LIAB					AGGREGATE \$
	DEDUCTIBLE					\$
	RETENTION \$					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					WC STATUTORY LIMITS OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A			E.L. EACH ACCIDENT \$
						E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$
B	Crime/Fidelity		81324354	10/31/12	10/31/13	Limit 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 THIS CERTIFICATE OF INSURANCE REPLACES PREVIOUS CERTIFICATE DATED 10/29/12.

CERTIFICATE HOLDER FOR INFORMATION PURPOSES ONLY	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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EXHIBIT B

TECHNICAL FITNESS DOCUMENTATION
(RESUMES OF ENERGY SERVICES MANAGEMENT)



M. Sami Khawaja, Ph.D.
Senior Vice President

Education and Certifications

Ph.D., Systems Science/Economics, Portland State University

B.S., Economics, Portland State University

Professional Experience and Qualifications

Dr. M. Sami Khawaja is the senior vice president in charge of Cadmus' Energy Services Division. Under Dr. Khawaja's leadership, the Energy Services staff of more than 180 professionals provides expertise in energy policy planning, energy-efficiency, market characterizations, potential studies, and large-scale energy conservation efforts and education.

Nationally recognized for his expertise, Dr. Khawaja is a contributing author of the International Performance Measurement and Verification Protocol (IPMVP). For the public-private collaborative National Action Plan for Energy Efficiency (NAPEE), he co-authored the Program Impact Evaluation Guide. He is also the lead author on the Impact Evaluation Guide for the Electric Power Research Institute (EPRI). In addition, Dr. Khawaja participated in the development of the World Resources Institute Greenhouse Gases (GHG) Protocols, used by hundreds of companies worldwide to manage their GHG footprint. Most recently, Dr. Khawaja wrote the uncertainty chapter in the Department of Energy Uniform Method Protocols.

Over his career, Dr. Khawaja has evaluated over 100 energy-efficiency programs. He has conducted over 50 training workshops in various aspects of demand-side management design, evaluation, cost-effectiveness, statistical analysis, and planning. His clients have included utilities and public agencies in the United States, Canada, Thailand, The Philippines, Jamaica, Jordan, and Libya.

Examples of Representative Experience

Energy Efficiency and Conservation

Dr. Khawaja has led more than 100 energy-efficiency projects. An expert in program design and evaluation methods, his skill encompasses program theory and planning, implementation, and evaluation.

He has been particularly active in developing real-time tracking systems that allow for continual program evaluation and mid-course corrections. (Early in his career, he was one of the chief evaluators of the Hood River Conservation Project, which was the nation's largest test of energy-efficiency programs to date.)

Statistical Analysis

Dr. Khawaja has conducted statistical and economic analysis for over 20 years for clients worldwide.

Dr. Khawaja's experience encompasses statistical sampling design, ranging from simple random sampling for some residential surveys to more sophisticated sampling design for quality control of large commercial and industrial programs. He is well versed in common sampling techniques in load research, including ratio-based sampling and model-based statistical sampling.



Expert Testimony

- Appeared before the Washington Utilities and Transportation Commission to discuss Avist Utilities energy-efficiency program evaluations, 2012.
- Prepared testimony for the Public Utilities Commission of Ohio to discuss Dayton Power & Light's DSM evaluation effort, 2011.
- Appeared before the Utah Public Utilities Commission to discuss PacifiCorp's energy-efficiency potentials assessment and their renewable plan, 2008.
- Testified before the Oregon Public Utilities Commission in the River and Bar Pilots rate case, 2004.
- Testified before the Utah Public Utilities Commission in the HELP Low Income evaluation case, 2002.

Teaching and Training

Since 1984, Dr. Khawaja has taught courses in the departments of Management and Economics at Portland State University, where he is an adjunct professor. In addition, he is co-founder of the Applied Energy Economics and Policy graduate certificate program.

Professional Workshops and Trainings

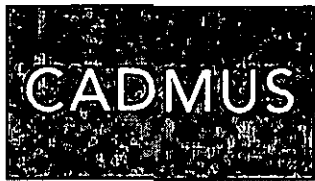
Dr. Khawaja has taught more than 50 workshops for clients throughout the United States and internationally. He is also a designated trainer for the Association of Energy Services Professionals (AESP).

International Experience

- For Jamaica Public Service Company, Dr. Khawaja led the evaluation efforts of their World Bank sponsored residential and commercial energy efficiency programs between 1998 and 2004. He also conducted numerous training workshops for JPSCO staff on topics ranging from evaluation, to cost effectiveness, to statistical analysis.
- For the Electricity Generation Authority of Thailand, Dr. Khawaja conducted evaluations of their various DSM efforts and conducted a three day evaluation workshop.
- For the General Electricity Company of Libya, Dr. Khawaja is currently leading a large DSM potential estimation effort. The work will also include designing up to six pilot programs, assessing their regulatory structure, and examining the opportunities in setting codes and standards. He taught three workshops ranging from introduction to DSM, to financial analysis, to statistical modeling.
- For various Jordanian energy companies and regulatory agencies, Dr. Khawaja taught a day long workshop on essentials of DSM.

Publications

Dr. Khawaja has over 50 publications in various journal and conference proceedings.



Hossein Haeri, Ph.D.
Executive Director

Education and Certifications

Ph.D., Regional Science, Portland State University

B.A., Quantitative Social Research, University of Oregon

Professional Experience and Qualifications

Hossein Haeri, an executive director at Cadmus, has more than 25 years of experience in research, consulting, utility management, and teaching in the energy utility industry. Working in Cadmus' Energy Services Division, Dr. Haeri specializes in utility strategic planning, integrated resource assessment and portfolio analysis, demand response planning and market assessment, and performance measurement.

Before joining Cadmus, Dr. Haeri was the director of Energy Information Systems at Chevron Energy Solutions (formerly PG&E Energy Services), where he led a team of engineers and information technology professionals to design and develop remote monitoring and control systems to support the company's performance contracts. He was also a principal at the consulting firm of Barakat and Chamberlin and managed demand-side planning and assessment at Central Maine Power.

Examples of Relevant Experience

Evaluation, Measurement, and Verification

Dr. Haeri brings more than 20 years of experience to projects involving measurement, verification, and quantitative methods for determining the gross and net impacts of energy efficiency and demand response programs. He has led impact evaluation projects involving sample design, primary data collection, and engineering and statistical assessment of load impacts.

Dr. Haeri is currently leading the evaluations of the Industrial Sector Initiative for the Northwest Energy Efficiency Alliance, BC Hydro's Power Smart Partners Program, and Southern California Edison's Peak Plus demand response initiative.

Demand-Side Management Resource Assessment

Dr. Haeri is a nationally recognized expert in energy efficiency and load management resource assessment, planning, and impact evaluation. His work has encompassed all aspects of assessing technical, economic, and achievable potentials, including innovative approaches to determining market potentials.

Dr. Haeri has led, or been the key technical advisor on, numerous market studies of electric and natural gas efficiency, demand response, distributed generation, renewable energy, and fuel conversion for investor-owned and public utilities throughout the United States. These projects have been done for clients such as Alliant Energy, Black Hills Energy, Bonneville Power Administration, Great River Energy, Mid American Energy, Pacific Power, Portland General Electric, Puget Sound Energy, Rocky Mountain Power, Seattle City Light, and the Snohomish County Public Utility District.



Integrated Resource Planning and Forecasting

Dr. Haeri's work has addressed both theoretical and practical aspects of modeling demand-side management (DSM) potentials in the integrated resource planning (IRP) process. He is familiar with the various IRP models used by utilities, such as portfolio-based and capacity expansion models. Dr. Haeri typically works with utility clients to develop overall strategies for resource planning and on the mechanics of incorporating DSM resources in the IRP process.

Resource Portfolio Planning and Assessment

Dr. Haeri has worked closely with utilities in various jurisdictions to have energy-efficiency resource standards, helping them formulate effective strategies to meet their targets. Numerous energy utilities have engaged him to translate the results of DSM market studies into effective and successful programs, and to develop portfolios of DSM products and services with associated targets, budgets, and implementation evaluation plans. His efforts have included providing the necessary public process and regulatory support to gain approval for these plans.

Dr. Haeri has also worked with stakeholder groups to create optimal outcomes for his clients in a number of states, and he has worked with regulators on behalf of utilities in several jurisdictions including Iowa, Maine, Nevada, New York, Oregon, Utah, and Washington.

In addition, Dr. Haeri has worked extensively on developing cost-effective tools for program planning and portfolio assessment. He was the architect and lead developer of DSM Portfolio Pro, Cadmus's tool for DSM portfolio planning and risk assessment; DR Pro, an analytic tool for assessing the market potentials and costs for demand response strategies; and the DSM Planner, an Excel-based model for the long-term planning and budgeting of DSM portfolios.

Recent Presentations and Publications

Haeri, Hossein. "Extreme Efficiency: Performance Standards are a Valid Idea if Targets are Achievable." Public Utility Fortnightly (September 2010).

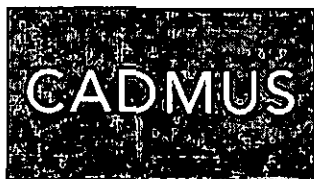
Haeri, Hossein. "Energy Efficiency in New York: Balancing the Risks and Opportunities." Public Utilities Fortnightly (January 2010).

Haeri, Hossein. "Using Experimental Design to Assess the Impacts of Education and Rate Design: The PEAK Plus Pilot Project." Proceedings at the International Energy Program Evaluation Conference, Portland, Oregon, August 2009.

Haeri, Hossein. "Technical and Economic Feasibility of Direct Irrigation Load Control in the Northwest." Paper presented at Peak Load Management Alliance Conference, Austin, Texas, October 2008.

Haeri, Hossein, M. Perussi, and M. S. Khawaja. "Do Stock Prices Reflect Operational Efficiency?" Public Utilities Fortnightly (February 1999).

Haeri, Hossein, J. Forrester, and M. Carter. "The Fortnightly 100, Which Utility Ranks the Highest?" Public Utilities Fortnightly (September 1997).



David Sumi, Ph.D.
Executive Director

Education and Certifications

Ph.D., Political Science, University of Oregon

Certified Measurement and Verification Professional (CMVP-IPMVP)

Professional Experience and Qualifications

Dr. David Sumi, a principal at Cadmus, has over 25 years of experience conducting evaluation and performance measurement research. Dr. Sumi focuses on energy efficiency, demand-side management (DSM), and quantifying a range of impacts from DSM programs (such as direct energy and behavioral effects, environmental, economic, and other non-energy benefits). His work has entailed managing research and evaluation projects (including several multiyear projects) for more than 30 utilities, energy research consortia, and government agencies. Before joining Cadmus in 2010, Dr. Sumi spent 10 years as a managing consultant for PA Consulting Group, served as a senior consultant at Hagler Bailly and at HBRS, Inc., and as an evaluation analyst at Seattle City Light.

Examples of Relevant Experience

Dr. Sumi has managed a variety of evaluation projects, with particular emphases on the following types of research.

Comprehensive Impact Evaluations

With emphasis on the residential sector, Dr. Sumi is currently directing evaluation of a multi-year behavioral program. Evaluations of these programs typically involve experimental designs, i.e., random assignment to treatment vs. control groups to achieve a randomized control trial (RCT). He recently managed the program random assignment for this behavioral program, and is overseeing the necessary conditions for obtaining an unbiased estimate of this behavioral program's impacts including:

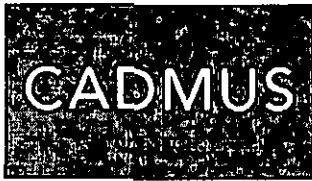
- The evaluation is set up as a randomized control trial (RCT) with treatment and control groups;
- The regression analysis controls for the effects of weather on consumption; and
- The regression analysis uses consumption data from before and after the treatment.

Measurement and Verification Protocols

Dr. Sumi accepted an invitation to participate on the Technical Committee for the U.S. EPA's Model Evaluation Guideline for Energy Efficiency, a work product of the National Action Plan for Energy Efficiency that focused on impact evaluation methods. He has recently contributed to the latest edition of this document.

Recent Presentation

At the recent Behavior, Energy, and Climate Change Conference (November 2012), Dr. Sumi presented a poster session on *Why Evaluation Should Perform Random Assignment for Behavioral Programs – And What Evaluators Must Do if Treatment and Control Group Assignments Are Done by Others.*



Allen Lee, Ph.D.
Executive Director

Education and Certifications

Ph.D., Policy Analysis, RAND Graduate School

M.S., Policy Analysis, RAND Graduate School

M.S., Aerospace Engineering, University of Southern California

B.S., Engineering, California Institute of Technology

LEED Accredited Professional

Courses on Decision Analysis, Artificial Intelligence, and Sustainable Development

Professional Experience and Qualifications

Dr. Allen Lee, an executive director at Cadmus, has nearly 30 years of experience conducting a wide range of projects and programs involving energy policy, energy efficiency, renewables, environmental analysis, and sustainability. He has brought multidisciplinary expertise to challenging research projects for public and private sector clients. In addition, he has been directly involved in formulating public policy for public agencies. He leads Cadmus' energy-efficiency building codes and appliance standards business area.

Before joining Cadmus, Dr. Lee was a senior manager with KEMA (formerly XENERGY), a leading national energy consulting firm. In that position, he managed several projects including an evaluation of Southern California Edison's Non-Residential Standard Performance Contract Program. He has also worked for the Rand Corporation, California Energy Commission, and Pacific Northwest National Laboratory.

Examples of Relevant Experience

For Cadmus clients, Dr. Lee applies quantitative analysis tools (such as econometrics, decision analysis, life cycle cost analysis, and cost-effectiveness analysis), engineering analysis, and qualitative analysis tools (such as focus groups and surveys). His professional experience has included the following:

- Conducting more than 60 energy program evaluations, assessing cost-effectiveness, and analyzing markets, market barriers, and market incentives for diverse technologies;
- Characterizing new technologies and their markets;
- Managing state and national building energy-efficiency standards programs;
- Conducting environmental impact analyses and providing technical leadership for green building programs; and
- Conducting a wide range of research on energy-efficient building codes and appliance standards.



Evaluations and Energy-Efficiency Projects

Dr. Lee's research has been conducted for clients across the entire U.S. in Canada. Before joining Cadmus, Dr. Lee developed and implemented two energy-efficiency programs in California and evaluated several commercial and residential energy-efficiency programs.

- Dr. Lee has designed and led more than 10 projects involving energy-efficient building codes and appliance standards. He has managed numerous studies investigating code and standard compliance and has developed innovative methodologies for assessing codes and standards programs.
- He has managed both process and impact evaluations of energy-efficient building programs in California, Washington, New York, and numerous other locations.
- To analyze the impacts and cost-effectiveness of multiple demand reduction programs proposed and implemented by PacifiCorp in several northwest states, Dr. Lee applied cost-effectiveness tests that included total resource cost, utility cost, rate impact, and participant cost.
- Dr. Lee has conducted multiple studies for BC Hydro to assess its energy-efficiency programs. For one study, he provided recommendations for improving the process used to implement the utility's major commercial/industrial sector efficiency program.
- A LEED-accredited professional, Dr. Lee has performed several green building studies including evaluations of two green building programs, impact and cost analyses of green roofs, and ongoing measurement and verification studies of nearly 30 green building projects for the city of Portland.

Alternative Energy and Environmental Analysis

Dr. Lee studies renewable energy options as components of utility-integrated resource plans. He characterizes the technologies' status and assesses their costs, energy generation, regulations, and environmental impacts. Dr. Lee led a study of the activities required to develop a hydrogen/fuel cell economic development strategy. As part of support he provided to Portland for its Green Investment Fund Program, Dr. Lee oversaw the data collection and analysis of renewable energy technologies. For San Diego Gas & Electric's Sustainable Communities Program, he analyzed the performance of several projects using PVs and one fuel cell project.

Dr. Lee has led numerous projects that assess environmental impacts of generation technologies and energy-efficiency programs. He recently assessed and recommended reporting requirements for energy-efficiency programs that the Northeast Energy Efficiency Partnerships could use to estimate air emissions impacts.

Conference Papers and Invited Presentations

Dr. Lee has published more than 150 reports and papers on his research and has given more than 50 presentations at national conferences and other meetings. He has been a regular speaker at the ACEEE Summer Study and International Energy Program Evaluation Conference.



Linda Dethman, Ph.D.
Vice President

Education and Certifications

Ph.D. Candidate, Communications Research, University of Washington, Seattle, WA

M.A., Communications Research, University of Washington, Seattle, WA

B.A., Playwriting, University of Missouri, Columbia, MO

Professional Experience and Qualifications

Linda Dethman, vice president of Cadmus' Program and Market Analysis Group oversees a group of 45 professionals who conduct process evaluations, market assessments, program design, and marketing and communications for energy efficiency programs. Over the past 30 years, Ms. Dethman has worked with hundreds of programs and gathered insights, through interviews, focus groups, and surveys, about efficiency programs from thousands of residential, business, and institutional consumers and trade allies. She has worked with innovative business programs at BC Hydro, the California Public Utilities Commission, Southern California Edison, Pacific Gas & Electric, NYSERDA, National Grid, Northeast Utilities, the Bonneville Power Administration, Energy Trust of Oregon, the Northwest Energy Efficiency Alliance, Seattle City Light, and Idaho Power.

Ms. Dethman is routinely called upon for projects that require innovative research and in-depth analytical approaches. She conducts quantitative and qualitative research to help clients understand target audience motivations, barriers, and behaviors. She then suggests strategies to match efficiency services to customer requirements and to encourage greater participation. Ms. Dethman is also an award-winning writer and an invited speaker at national and international conferences.

Examples of Relevant Experience

Power Smart's Behavioral Change Initiatives, BC Hydro, 2007- 2012. These assessments helped guide BC Hydro behavior change initiatives for businesses, local governments, and residences. This project entails conducting an integrated process and impact assessment of the Workplace Conservation Awareness Program, which is operating in 400 buildings throughout BC.

Process Evaluation, Power Saving Partners, BC Hydro, 2007-2009. This process evaluation examined the effectiveness of the utility's retrofit program for commercial buildings. It included focus groups with participants and interviews with a wide variety of staff and contractors, as well as an analysis of program materials.

Process evaluations: Commercial New Construction; Seven Commercial Market Development Programs; Organizational Marketing and Outreach. New York Energy Research and Development Authority (NYSERDA), 2003-2012. These process evaluations included NYSERDA's pioneering New Construction and commercial programs. She helped NYSERDA target markets and opportunities, and had analyzed marketing and outreach needs for the commercial sector.

Multifamily and Mobile Home Program Process Evaluation and Market Assessment, Southern California Edison and Pacific Gas and Electric, 2011-2012. This multi-pronged assessment is tackling the perennial difficult multifamily market. It includes typical process evaluation components, but also owner and operator focus groups, trade ally interviews, and a representative survey of owners and managers of low, medium, and high income properties in California.



Evaluation, Path to Net Zero Pilot Program, Energy Trust of Oregon, 2009-2012. This assessment, over several years, looks closely at a program that hopes to produce a set of commercial and institutional buildings that reduce energy use by at least 60% from current code, with a number of projects hoping for "net zero" energy use.

Process Evaluations, C&I Programs, Idaho Power, 2010-11. Ms. Dethman oversaw this multilayered and forward-looking process evaluation for all five of IPC's commercial, industrial, and irrigation (CI&I) energy-efficiency programs. Cadmus produced a gap analysis, a best practices review, individual process evaluation reports, and an action-oriented final report, looking across the C&I portfolio.

Corvallis Community Energy Efficiency Pilot Program Evaluation, Energy Trust of Oregon, 2009-10. This evaluation documented the history and efficacy of a community-based behavior change pilot initiative targeted to residences and small businesses, estimated its savings, and recommended key program improvements.

Evaluation of the Building Tune-Up and Operations Program, Energy Trust of Oregon, 2005-2006. Dethman & Associates evaluated boiler tune-ups and building tune-ups/retrocommissioning efforts. The evaluation provided Energy Trust with feedback on how the program is progressing towards achieving its goals and recommended structure and delivery changes.

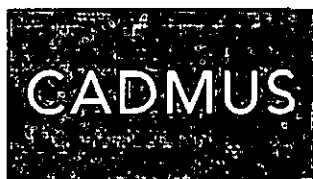
Evaluation of Building Performance Services (BPS) Test, Northwest Energy Efficiency Alliance, 2003-2005. This evaluation assessed and offered recommendations for a market transformation effort to improve energy efficiency in existing commercial buildings through improvements in operations and maintenance. The evaluation documented program activities, participant views, market potential, and needed improvements for marketing and delivering BPS type services.

Evaluation, Efficient Building Practices Initiative (now Better Bricks), Northwest Energy Efficiency Alliance, 1999-2001. This project evaluated the process and progress of the first two years of a long term, innovative, multimillion dollar efficiency initiative to encourage demand for high efficiency commercial buildings in the Northwest. Methods included regional tracking surveys, Website evaluation, and executive interviews with developers, business owners, architects, and engineers.

Large Commercial New Construction Program Evaluation, Pacific Gas & Electric, 1996. This project evaluated the program management, implementation, and progress of a program to foster high efficiency new commercial buildings. Results of the evaluation produced significant changes to the program tracking system and were used to revamp program operation and services to customers.

Facilitation and Planning Services, Energy Smart Services Advisory Committee, Seattle City Light, 2006. Ms. Dethman worked in concert with City Light managers and staff, and an advisory committee of 15 experts to articulate new directions for the commercial efficiency services at the utility.

Evaluation of Smart Business: A Direct Install Program for Small Businesses, Seattle City Light, 1998. Ms. Dethman conducted a process evaluation of this direct install program targeted to small businesses. Tasks included interviews with program staff and surveys with participants and non-participants.



David Korn
Vice President

Education and Certifications

Certified Energy Manager (CEM); Association of Energy Engineers

B.S., Mechanical Engineering, Concentration in Energy Systems, Cornell University

Graduate studies, Environmental Engineering and Aquatic Science, Cornell University

Massachusetts EIT Certification

Professional Experience and Qualifications

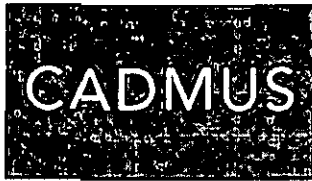
David Korn, vice president of measurement and engineering at Cadmus, has more than 15 years of experience with the firm and more than 20 years of experience in energy and environmental consulting and engineering. His expertise encompasses a broad range of energy conservation issues, ranging from preparing detailed technical evaluations of products (such as industrial transformers) to auditing and metering buildings and building systems. Specializing in laboratory and *in situ* metering, Mr. Korn and his engineering team have investigated the energy use of consumer products such as air conditioners, dehumidifiers, water coolers, computers, computer monitors, external power supplies, and battery charging systems. These efforts included developing the ENERGY STAR® quality installation specifications for central air conditioners.

Examples of Relevant Experience

ENERGY STAR and Energy Conservation Projects

The following projects represent Mr. Korn's work related to energy conservation efforts:

- Mr. Korn leads a team with expertise in helping large enterprises reduce the energy use of their plug loads, and in particular their computing systems. His team offers free software and consulting to help IT departments minimize enterprise operating costs.
- To help electric utilities conduct efficient energy audits of commercial customers and recommend energy conservation measures, he assisted in developing a computerized energy auditing system by developing new measures, verifying computations, and writing code.
- For questions regarding loading (related to low-voltage transformer energy analysis), Mr. Korn designed and managed a research project to determine the average loading of commercial and industrial transformers. The project entailed surveying nearly 400 transformers in 4 million square feet of commercial and industrial space and metering 86 of those transformers. This groundbreaking research showed that the 35% load factor used to develop TP-1 is much higher than average transformer loads, which are less than 20%.
- Mr. Korn led an effort to examine the energy and water use of selected industrial facilities and recommended savings measures for a variety of facilities (microbreweries, a plastic extruder, food processors, a jewelry manufacturer, and several printed circuit board manufacturers). He analyzed in detail industrial ventilation practices and energy efficiency of various design choices.



Bryan Ward
VP of Statistical & Economic Analysis

Education and Certifications

M.B.A., University of Utah

B.S., Economics, *cum laude*, University of Utah

Professional Experience and Qualifications

Bryan Ward, a principal at Cadmus, has more than 20 years of experience conducting market and survey research. Much of Mr. Ward's research has focused on demand-side management (DSM) program evaluation and DSM potential studies. He has extensive experience designing and developing data management and analysis processes to improve the quality, effectiveness, and efficiency of research projects.

Before joining Cadmus, Mr. Ward was a managing consultant with PA Consulting Group, where he led a number of DSM market potential studies and energy impact evaluations. Most recently, he completed an evaluation of AmerenUE's Personal Energy Management Pilot program and a study for the Department of Housing and Urban Development to determine the feasibility of benchmarking utility costs and consumption by public housing authorities. Mr. Ward has worked on the evaluation of Wisconsin's Focus on Energy portfolio of programs since its inception 10 years ago. This work included developing a comprehensive reporting system that integrated program tracking data with evaluation findings to report program energy impacts in numerous ways, including program cost-effectiveness and non-energy impacts.

Examples of Relevant Experience

Project Management

Mr. Ward has successfully managed a variety of projects, primarily DSM program evaluations and DSM potential studies, including the following:

- For the **California Public Utilities Commission**, he led the evaluation of 56 government partnership programs' non-resource activities, with a focus on identifying and quantifying indirect impacts. Then, Mr. Ward's evaluation team prioritized the programs, which were approved by the California investor-owned utilities before work proceeded. The evaluation included quantitative surveys with program participants and qualitative interviews with utility program managers and partnership program managers and staff.
- For the **Public Service Commission of Wisconsin**, Mr. Ward led the Focus on Energy evaluation team's design of a data management system that collects program tracking and budget/invoice data from the program administrators and integrates that data with evaluation findings. This allows for regular reporting (semi-annual) of verified and net energy impacts by program, measure category, and geographic region. The evaluated impacts are combined with the budget/invoice data for reporting cost-effectiveness metrics. This data is also combined with the analysis of EPA emissions data for Wisconsin's generating facilities for reporting avoided emissions. Mr. Ward coordinated the team's valuation efforts, including of non-energy effects,



benefit-cost analysis, and economic impacts and the distribution of those impacts geographically and by industry sector.

- For the **Central Louisiana Electric Company (Cleco)**, Mr. Ward led a study to estimate the DSM market potential in Cleco's territory. The project encompassed several stages: (1) developing baseline forecasts of the basic facility and technology characteristics of the three major customer sectors; (2) identifying a broad range of DSM measures and practices appropriate to the service territory; (3) initially screening the measures and practices to determine their suitability; (4) developing a final list of measures/practices; and (5) estimating achievable (market) potential for the residential, commercial, and industrial sectors.

Survey Design and Implementation

For four years in the late 1990s, Mr. Ward managed Hagler Bailly's survey research center, providing primary data collection services utilizing a 25-station telephone lab. Prior to his work at Hagler Bailly, Mr. Ward was a project manager at the University of Utah Survey Research Center. During these eight years, he managed a team of analysts who programmed surveys for computer assisted telephone interviewing, managed field collection for telephone and mail surveys, prepared data for analysis, and provided data documentation and basic crosstabs and frequencies. Mr. Ward also designed dozens of surveys for clients, many of which were utilities. Since deregulation, much of the data collection focused on helping utilities understand the market for services they could provide beyond delivering energy. Many of Mr. Ward's projects at Cadmus utilize some form of primary data collection.

Quantitative Data Analysis and Data Management

Mr. Ward analyzes primary and secondary data to allocate residential and commercial sector loads by end-use, typically for market potential studies. He has extensive experience working with a variety of data types including surveys, program tracking, customer billing, interval metering, and system loads. He has also worked with data from other sources, such as the Residential Energy Consumption Survey and the Commercial Business Energy Consumption Survey.

In addition to using tools such as Transact-SQL, DSMore, Cadmus' Portfolio Pro, SPSS, and SAS to process and analyze data, Mr. Ward has developed data systems and models, such as an evaluation reporting system for Wisconsin's Focus on Energy program. This system imports data from multiple program tracking systems and integrates that data with quantitative evaluation findings to report evaluated program impacts, cost-effectiveness, cost of conserved energy, avoided emissions, and comparison of realized impacts to estimated potential. Mr. Ward has conducted statistical analysis for litigation support on vehicle tread separation, breast implant failure, and the environmental justice of increased traffic on specific rail corridors.

Publications and Presentations

PA Consulting Group (as part of the Summit Blue Government Partnership Program Evaluation Team). *Government Partnerships Programs Effectiveness and Impacts for Non-Resource Elements of the 2006-2008 Government Partnerships Programs*. January 26, 2010.

Ujjwal Bhattacharjee, S. Drake, E. Rambo, and B. Ward. (PA Consulting Group). *Focus on Energy Evaluation: A Review and Update of NEBS Values for Residential Programs*. February 19, 2010.



Anne West
Principal

Education and Certifications

Graduate Studies, Psychology Dept.: Statistics & Data Analysis Course, University of Oregon

B.S., Energy and Environmental Systems, The Evergreen State College

Undergraduate Research Participant, Argonne National Laboratory US DOE

Professional Experience and Qualifications

Anne West is a principal in Cadmus' Energy Services Division, and she leads the Market Research and Analysis team. With more than 30 years of experience working in the energy services industry, she has developed a broad range of energy-efficiency research and project management skills. Her areas of expertise encompass market characterization, process and impact evaluations of energy-efficiency programs across all sectors, and evaluations of new and existing energy technologies.

Ms. West has conducted macro- and micro-level evaluations in such diverse areas as energy conservation and new technology implementation, as well as field research examining the persistence of energy savings. She has worked extensively developing evaluation plans, data collection protocols, sampling plans, designing surveys, and developing and conducting evaluability assessments.

Examples of Relevant Experience

- For **Michigan Saves**, a nonprofit organization planning to implement a statewide commercial loan program to finance energy-efficiency improvements in the food industry, Ms. West conducted a market characterization study of independent grocers, convenience stores, restaurants, and bars. The study helped Michigan Saves design a program that engaged a hard-to-reach market with a high potential for energy savings. (2011-2012)
- For the **Salt River Project** (Arizona), Ms. West is managing and conducting annual evaluations of a portfolio of energy-efficiency programs and demand reduction programs in both residential and commercial sectors. Evaluations included the direct install Small Business Solutions program targeting convenience stores and refrigeration and lighting measures. Other evaluations within the portfolio included market effects studies for residential new construction program, qualitative process evaluations, quantitative impact assessments, and cost/benefit assessments with net-to-gross analyses for freeridership and spillover. (2008- ongoing)
- For **Pennsylvania Power and Light Electric Utilities** (PPL), Ms. West is managing the four-year evaluation of the portfolio of energy-efficiency and demand response programs designed to meet regulatory requirements of Act 129 of 2008. She developed the evaluation plans and verification sampling strategies for 10 residential and commercial programs in the portfolio.
- For the **Bonneville Power Administration** (BPA), Ms. West conducted a nationwide review and assessment of proven and promising energy-efficiency programs and technologies. This "New Opportunities Assessment" supplemented the process for selecting conservation programs implementable through local utilities. (2008)



Tina Jayaweera, Ph.D.
Principal

Education and Certifications

Ph.D., Mechanical Engineering, Cornell University (minor in physical chemistry)

B.A., Physics, Oberlin College

Professional Experience and Qualifications

Tina Jayaweera, a principal at Cadmus, performs research and data analysis on projects concerning distributed-generation technologies and energy efficiency. These projects include potentials assessments and program planning and design for utilities across the country. Dr. Jayaweera has also evaluated energy-efficiency programs, conducted training for a residential energy education program and AESP's P2: Program Planning and Implementation course.

Before joining Cadmus, Dr. Jayaweera was a senior research scientist at FM Global, where she designed and directed experimental and numerical studies to improve fire-suppression systems. She has presented her findings at several conferences and has been published in numerous peer-reviewed journals. Dr. Jayaweera was a post-doctoral research associate at Lawrence Livermore National Laboratory.

Examples of Relevant Experience

Project Management

Dr. Jayaweera has effectively managed significant projects of varying scope and duration, such as:

- **Black Hills Energy:** Managing Cadmus's support to Black Hills Energy in preparing its five-year energy-efficiency plan in Iowa and three-year energy-efficiency plan in Colorado. This involves managing Cadmus's research, analysis, and testimonial efforts, as well as assisting with the organization of several collaborative sessions to gain stakeholder feedback.
- **PacifiCorp:** Managed Cadmus's research to assess DSM opportunities in energy efficiency, demand response, and supplemental resources across six states. This included managing frequent internal and external communication to ensure tasks were completed efficiently, on time and within budget. This work includes ongoing regulatory support.
- **Department of Energy:** Currently managing Cadmus's support to DOE and the National Renewable Energy Laboratory to develop uniform methods in EM&V. This effort includes convening a technical advisory group of experts from around the country to reach consensus on methods that are valid and usable.

Potentials Studies

Dr. Jayaweera has worked on various potential studies for electric and gas utilities. Her analysis consisted of characterizing the potential from small renewable energy and combined heat and power projects, emerging technology measure identification, commercial building simulations that (1) determine building end-use energy consumption and (2) measure savings potentials, and she has worked to improve the energy-efficiency analysis for the industrial sector.



Dr. Jayaweera's clients for these various potential studies for electric and gas utilities include these:

- Puget Sound Energy
- Black Hills Energy
- PacifiCorp
- Tacoma Power
- Georgia Power

Energy Efficiency and Conservation Plans

Dr. Jayaweera has worked with several utilities including Black Hills Energy, PPL Electric Utilities and Alliant Energy as well as the Bonneville Power Administration in developing energy efficiency plans. She has helped the utilities in designing programs composed of an optimal mix of cost-effective energy-efficiency measures that best serve the utility's customers and reduce loads. The programs developed were for the three major customer sectors—residential (including low income), commercial, and industrial—and included incentives for renewable resources.

Technical Skills

Dr. Jayaweera is proficient in the use of such software as eQuest, Microsoft Excel and the Microsoft Office Suite. She also assisted in the development of DSM Planner.

Presentations and Publications

"A Time for Uniformity – Moving Toward More Consistent EM&V Methods", AESP National Conference, Orlando, Florida, January 2013, with Kurnik, C., Li, M., Haeri, H.

"Why Utilities Care About Non-Programmatic Energy Savings and How To Measure Them?" 2011 International Energy Program Evaluation Conference, Boston, Massachusetts, August 2011, with Gage, L., Cobb C., Haeri, H.

"Making Home Performance Accessible to Everyone: A New Initiative," AESP National Conference, Tucson, Arizona, February 2010, with Daunis, M., Rice, P., Marshall, A., Wist, S.

"Scaling of Fire Cooling by Water Mist under Low Drop Reynolds Number Conditions," Fire Safety J., 43 (1): 63-70 (2008), with Yu, H-Z.

"Water Absorption by Horizontally Positioned Corrugated Board," Fire Safety J., 41:335-342 (2006), with Yu, H-Z.

Professional Memberships and Associations

Association of Energy Services Professionals (AESP)

Sigma Xi, the Scientific Research Society

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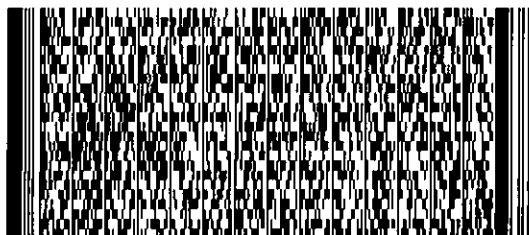
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