

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

In re:

WOODBIDGE GROUP OF COMPANIES,  
LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 17-12560 (KJC)

Jointly Administered

Objection Deadline: May 17, 2018 at 4:00 p.m. (ET)

Hearing Date: July 10, 2018 at 11:00 a.m. (ET)

SUPPLEMENT TO FIRST INTERIM FEE APPLICATION OF  
KLEE, TUCHIN, BOGDANOFF & STERN LLP

Klee, Tuchin, Bogdanoff & Stern LLP (“**KTBS**” or the “**Firm**”), counsel to the above-captioned debtors and debtors in possession (the “**Debtors**”), hereby supplements the *First Interim Fee Application of Klee, Tuchin, Bogdanoff & Stern LLP* [Docket No. 1677] (the “**First Interim Application**”) for the period from February 14, 2018 through February 28, 2018 (the “**Application Period**”) by attaching, as Exhibits A through E hereto, certain schedules requested by the *Appendix B Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under United States Code by Attorneys in Larger Chapter 11 Cases* (the “**UST Guidelines**”). In addition, KTBS respectfully states as follows to address the questions set forth under section C.5 of the UST Guidelines:

- a. Other than the reductions described below, during the Application Period, KTBS did not agree to any variations from, or alternatives to, its standard or customary billing rates, fees, or terms pertaining to its engagement by the Debtors.

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<sup>1</sup> The last four digits of Woodbridge Group of Companies, LLC’s federal tax identification number are 3603. The mailing address for Woodbridge Group of Companies, LLC is 14225 Ventura Boulevard #100, Sherman Oaks, California 91423. Due to the large number of debtors in these cases, which are being jointly administered for procedural purposes only, a complete list of the Debtors, the last four digits of their federal tax identification numbers, and their addresses are not provided herein. A complete list of such information may be obtained on the website of the Debtors’ noticing and claims agent at [www.gardencitygroup.com/cases/WGC](http://www.gardencitygroup.com/cases/WGC), or by contacting the undersigned counsel for the Debtors.

- b. The fees sought by KTB&S are less than the fees budgeted for the time period covered by this First Interim Application pursuant to the budget provided by KTB&S to the Debtors.
- c. The professionals included in the First Interim Application did not vary their hourly rate based on the geographic location of the bankruptcy cases.
- d. The First Interim Application does not include any fees dedicated to revising time records or preparing and revising invoices that would not normally be compensable outside of bankruptcy.
- e. This First Interim Application does not include time or fees for reviewing time records to redact any privileged or other confidential information.
- f. The First Interim Application did not include any rate increases since retention.

KTBS requests approval of \$638,555.50 as compensation for professional services rendered for the Debtors during the Application Period and \$3,574.59 as reimbursement for actual and necessary expenses incurred by KTB&S for the Debtors during the Application Period. This does not include \$13,204.50 representing 14.8 hours of work that has been written off in the exercise of billing discretion and is reflected as “No Charge” on the billing records appended hereto, and also does not include an additional \$7,021.50 in respect of 7.30 hours of work that has been written off in the exercise of billing discretion and does not appear on the billing records at all.

In light of the significant public interest implicated by these cases and the costs of transitioning from prior counsel to KTB&S, KTB&S has made two agreements regarding its fees. First, KTB&S has agreed to provide a fee reduction of up to \$250,000 of legal fees

incurred in transitioning from prior counsel (Gibson Dunn & Crutcher) to KTB&S, which reduction will be applied to each of KTB&S's first five monthly invoices on a cumulative basis, in the amount of up to \$50,000 per invoice.<sup>2</sup> KTB&S's transition costs during the Application Period total \$188,388.50. KTB&S has therefore applied a \$50,000 reduction to its fees, which is reflected in the amount of fees sought in its First Interim Application.

Second, KTB&S has agreed to cap payment of its legal fees for the cases at a blended rate of \$850 per hour for attorneys (not including its paralegal and law clerks), such that KTB&S will receive, calculated in the aggregate for the entirety of the cases (as opposed to on a month-by-month basis), the lesser of (x) its actual billed hourly rates and (y) a blended rate of \$850 per hour.<sup>3</sup> During the Application Period, KTB&S billed 724.10 hours of attorney time, with total attorney compensation of \$677,343.00—resulting in an actual blended rate of \$935.43 per hour. Accordingly, as set forth in the following chart, although KTB&S seeks allowance of fees at its actual rates, it only seeks payment of its fees re-calculated at the \$850/hour cap.

|                                  | <b>Actual Rate</b>         | <b>Capped Rate</b>         |
|----------------------------------|----------------------------|----------------------------|
| Attorney Fees                    | \$677,343.00               | \$615,485.00               |
| Paralegal Fees                   | \$11,212.50                | \$11,212.50                |
| Total Before Transition Discount | \$688,555.50               | \$626,697.50               |
| Total After Transition Discount  | <b><u>\$638,555.50</u></b> | <b><u>\$576,697.50</u></b> |

<sup>2</sup> For example, if KTB&S incurred \$60,000 of legal fees in transition services in the first month, but only \$30,000 of legal fees for transition services in the second month, the first monthly invoice would be reduced by \$50,000 and the second monthly invoice would be reduced by \$40,000.

<sup>3</sup> For example, (i) if KTB&S's actual billed hourly rates for attorneys result in a blended rate of \$875 per hour for the Cases, KTB&S will reduce such blended hourly rate for attorneys to \$850 and (ii) if KTB&S's actual billed hourly rates for attorneys result in a blended rate of \$825 per hour for the Cases, KTB&S will receive that hourly rate.

Dated: April 27, 2018

/s/ Jonathan M. Weiss

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KLEE, TUCHIN, BOGDANOFF & STERN LLP

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**EXHIBIT A****CUSTOMARY AND COMPARABLE  
COMPENSATION DISCLOSURES**

| <b>Category of<br/>Timekeeper</b><br><br><b>(Using categories<br/>already maintained by<br/>KTB&amp;S)</b> | <b>Blended Hourly Rate</b>                       |   |   |
|--|--|---|---|
|  | <b>Preceding year,<br/>excluding estate work</b> | <b>Actual Blended<br/>Hourly Rate<br/>at Actual Rates</b><br><br><b>In this fee<br/>application</b> | <b>Actual Blended<br/>Hourly Rate<br/>at Capped<br/>\$850/hour Rate</b><br><br><b>In this fee<br/>application</b> |
| Partners   | \$905.76   | \$1,020.32  | \$850.00  |
| Counsel/Associates   | \$513.00   | \$702.96  | \$850.00  |
| Paralegal  | \$327.18   | \$375.00  | \$375.00  |
| Aggregated (Attorney)  | \$819.80   | \$913.20  | \$850.00  |

**EXHIBIT B**

**SUMMARY OF TIMEKEEPERS INCLUDED IN THE  
FIRST INTERIM APPLICATION**

| <b>Name of Professional Person</b> | <b>Initials of Professional Used in the Application for the Professional Person</b> | <b>Position of the Applicant, Number of Years in That Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise</b>              | <b>Hourly Billing Rate</b> | <b>Total Billed Hours</b> | <b>Total Compensation</b> |
|------------------------------------|---|--|----------------------------|---------------------------|---------------------------|
| Kenneth N. Klee                    | KNK   | Joined firm as a Partner in 1999. Member of the CA Bar since 1975. Corporate Restructuring.  | \$1,475.00                 | 29.80                     | \$43,955.00               |
| David M. Stern                     | DMS   | Joined firm as a Partner in 2000. Member of CA Bar since 1975. Litigation.   | \$1,245.00                 | 6.20                      | \$7,719.00                |
| Michael L. Tuchin                  | MLT   | Joined firm as a Partner in 1999. Member of the CA Bar since 1990. Corporate Restructuring.  | \$1,245.00                 | 112.00                    | \$139,440.00              |
| David A. Fidler                    | DAF   | Partner since 2003. Joined firm as an Associate in 1999. Member of the CA Bar since 1998. Corporate Restructuring.   | \$1,075.00                 | 142.90                    | \$153,617.50              |
| Robert J. Pfister                  | RJP   | Partner since 2011. Joined firm as Senior Counsel in 2010. Member of the CA Bar since 2006, CT Bar since 2001, IN Bar since 2002, and NY Bar since 2003. Litigation. | \$995.00                   | 49.50                     | \$49,252.50               |
| David M. Guess                     | DMG   | Partner since 2011. Joined firm as an Associate in 2007. Member of the CA Bar since 2005. Corporate Restructuring.   | \$895.00                   | 44.40                     | \$39,738.00               |
| Maria Sountas-Argiropoulos         | MSA   | Joined firm as a Partner in 2013. Member of the CA Bar since 2008, and the Law Society of Upper Canada since 2006. Corporate.  | \$895.00                   | 10.60                     | \$9,487.00                |
| Julian I. Gurule                   | JIG   | Joined firm as Of Counsel in 2016. Member of the CA Bar since 2007. Corporate Restructuring.   | \$825.00                   | 63.00                     | \$51,975.00               |
| Justin D. Yi                       | JDY   | Joined firm as a Partner in 2015. Member of the CA Bar since 2011. Corporate.  | \$750.00                   | 3.80                      | \$2,850.00                |

| Name of Professional Person   | Initials of Professional Used in the Application for the Professional Person | Position of the Applicant, Number of Years in That Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise | Hourly Billing Rate | Total Billed Hours | Total Compensation         |
|---|--|--|---------------------|--------------------|----------------------------|
| Jonathan M. Weiss   | JMW  | Partner since 2016. Joined firm as an Associate in 2011. Member of the CA Bar since 2011. Corporate Restructuring.                               | \$725.00            | 131.20             | \$95,120.00                |
| Efrat B. Zisblatt   | EBZ  | Joined firm as an Associate in 1999. Member of the CA Bar since 1997. Corporate Restructuring.   | \$695.00            | 18.20              | \$12,649.00                |
| Samuel M. Kidder  | SMK  | Joined firm as an Associate in 2018. Member of the CA Bar since 2012. Corporate Restructuring.   | \$675.00            | 45.40              | \$30,645.00                |
| Robert J. Smith   | RJS  | Joined firm as an Associate in 2015. Member of the CA Bar since 2013. Corporate.   | \$600.00            | 41.70              | \$25,020.00                |
| Sasha M. Gurvitz  | SMG  | Joined firm as an Associate in 2014. Member of the CA Bar since 2014. Corporate Restructuring.   | \$625.00            | 25.40              | \$15,875.00                |
| Shanda D. Pearson   | SDP  | Paralegal  | \$375.00            | 29.90              | \$11,212.50                |
| <b>Grand Total:</b>   |  |  |                     | <b>754.00</b>      | <b>\$688,555.50</b>        |
| <b>Less: \$50,000 Transition Discount</b>   |  |  |                     |                    | <b>\$638,555.50</b>        |
| <b>Actual Blended Rate (Before Transition Discount):</b>                            |  |  | <b>\$913.20</b>     |                    |                            |
| <b>Actual Attorney Blended Rate (Before Transition Discount):</b>                   |  |  | <b>\$935.43</b>     |                    |                            |
| <b>Total Attorney Fees Assuming \$850.00 Attorney Blended Rate:</b>                 |  |  |                     |                    | <b>\$615,485.00</b>        |
| <b>Total Fees (Attorney and Paralegal) Assuming \$850.00 Attorney Blended Rate:</b> |  |  |                     |                    | <b>\$626,697.50</b>        |
| <b>Less: \$50,000 Transition Discount</b>   |  |  |                     |                    | <b><u>\$576,697.50</u></b> |



**EXHIBIT C**

**BUDGET AND STAFFING PLAN**

***In re Woodbridge Group of Companies, LLC, Case No. 17-12560-KJC***  
**Budget and Staffing Plan for Klee, Tuchin, Bogdanoff & Stern LLP**

**For the Period from February 14, 2018 through and including February 28, 2018**

**Budget**

| <b>Project Category</b>                         | <b>Budgeted Hours</b> | <b>Budgeted Fees</b> |
|---|-----------------------|----------------------|
| 0001 – Asset Analysis and Recovery              | 6.00                  | \$6,000              |
| 0002 – Assumption and Rejection of Contracts    | 30.00                 | \$23,000             |
| 0003 – Budgeting                                | 0.00                  | \$0.00               |
| 0004 – Business Operations                      | 11.00                 | \$10,000             |
| 0005 – Case Administration                      | 25.00                 | \$24,000             |
| 0006 – Claims Administration                    | 21.00                 | \$17,500             |
| 0007 – Corporate Governance and Board           | 58.00                 | \$40,000             |
| 0008 – Court Hearings                           | 0.00                  | \$0.00               |
| 0009 – Employee Benefits                        | 2.00                  | \$2,000.00           |
| 0010 – Employment and Fee Applications          | 20.00                 | \$17,000             |
| 0011 – Employment and Fee Objections            | 0.00                  | \$0.00               |
| 0012 – Financing and Cash Collateral            | 28.00                 | \$27,000             |
| 0013 – Litigation and Adversary Proceedings     | 64.00                 | \$55,000             |
| 0014 – Meetings and Creditor Communications     | 20.00                 | \$20,000             |
| 0015 – Non-Working Travel                       | 0.00                  | \$0.00               |
| 0016 – Plan and Disclosure Statement            | 20.00                 | \$18,000             |
| 0017 – Real Estate (Not Dispositions)           | 38.00                 | \$35,000             |
| 0018 – Relief from Stay and Adequate Protection | 33.00                 | \$30,000             |
| 0019 – Reporting Matters                        | 8.00                  | \$7,500              |
| 0020 – Tax Matters                              | 1.00                  | \$1,000.00           |
| 0021 – Use, Sale, and Lease of Assets           | 0.00                  | \$0.00               |
| 0022 – Noteholder Matters                       | 38.00                 | \$32,000             |
| 0023 – Unitholder Matters                       | 47.00                 | \$42,000             |
| 0024 – Real Property Dispositions               | 63.00                 | \$60,000             |
| 0025 – Regulatory Matters                       | 60.00                 | \$60,000             |
| 0026 – Transition Matters                       | 200.00                | \$195,000            |
| <b>Total:</b>                                   | <b>793.00</b>         | <b>\$722,000</b>     |

**Staffing Plan**

| <b>Category of Timekeeper</b> | <b>Number of Primary Timekeepers Expected to Work on the Matter During the Budget Period</b> | <b>Average Hourly Rate</b> |
|-------------------------------|--|----------------------------|
| Partners                      | 10   | \$1,019.50                 |
| Counsel/Associates            | 5  | \$681.25                   |
| Paralegal                     | 1  | \$375.00                   |
| Law Clerk                     | 0  | N/A                        |

**TOTAL****16**

**EXHIBIT D**

**SUMMARY OF COMPENSATION AND EXPENSE REIMBURSEMENT**

**COMPENSATION BY PROJECT CATEGORY**

| <b>Project Category</b>   | <b>Total Hours</b> | <b>Total Fees</b>   |
|---|--------------------|---------------------|
| 0001 – Asset Analysis and Recovery                                | 5.60               | \$5,546.50          |
| 0002 – Assumption and Rejection of Executory Contracts and Leases | 28.10              | \$21,289.50         |
| 0003 – Budgeting  | 0.00               | \$0.00              |
| 0004 – Business Operations  | 10.90              | \$9,916.50          |
| 0005 – Case Administration  | 23.50              | \$22,693.00         |
| 0006 – Claims Administration & Objections                         | 20.10              | \$16,667.50         |
| 0007 – Corporate Governance & Board Matters                       | 55.10              | \$36,151.00         |
| 0008 – Court Hearing  | 0.00               | \$0.00              |
| 0009 – Employee Benefits  | 1.80               | \$1,700.00          |
| 0010 – Employment and Fee Applications                            | 18.90              | \$15,762.50         |
| 0011 – Employment and Fee Objections                              | 0.00               | \$0.00              |
| 0012 – Financing and Cash Collateral                              | 25.10              | \$25,382.50         |
| 0013 – Litigation and Adversary Proceedings                       | 60.70              | \$52,935.50         |
| 0014 – Meeting and Communications With Creditors                  | 17.20              | \$17,920.00         |
| 0015 – Non-Working Travel   | 0.00               | \$0.00              |
| 0016 – Plan and Disclosure Statement                              | 18.80              | \$16,912.00         |
| 0017 – Real Estate Matters (Not Dispositions)                     | 35.80              | \$31,975.50         |
| 0018 – Relief From Stay and Adequate Protection                   | 30.90              | \$29,181.50         |
| 0019 – Reporting Matters  | 6.80               | \$6,680.00          |
| 0020 – Tax  | 0.40               | \$395.00            |
| 0021 – Use, Sale, and Lease of Assets (Other Than Real Property)  | 0.00               | \$0.00              |
| 0022 – Noteholder Matters   | 36.50              | \$30,761.50         |
| 0023 – Unitholder Matters   | 44.10              | \$40,143.00         |
| 0024 – Real Property Dispositions                                 | 60.80              | \$58,575.50         |
| 0025 – Regulatory Matters   | 59.90              | \$59,578.50         |
| 0026 – Transition Matters   | 193.00             | \$188,388.50        |
| <b>Total:</b>   | <b>754.00</b>      | <b>\$688,555.50</b> |

**EXPENSE SUMMARY**

| Expense Category | Total Expenses    |
|------------------|-------------------|
| Copying          | \$548.70          |
| Online Research  | \$2,955.99        |
| Transcripts      | \$69.90           |
| <b>Total:</b>    | <b>\$3,574.59</b> |

**EXHIBIT E**

**FIRST INTERIM APPLICATION SUMMARY**

| SUMMARY OF FIRST INTERIM APPLICATION   |  |
|--|--|
| Name of Applicant  | Klee, Tuchin, Bogdanoff & Stern LLP  |
| Name of Client   | Woodbridge Group of Companies, LLC, <i>et al.</i>  |
| Time period covered by First Interim Application   | February 14, 2018 through February 28, 2018  |
| Total compensation sought during the Application Period  | \$638,555.50 (net of \$50,000 transition reduction)  |
| Total expenses sought during the Application Period  | \$3,574.59   |
| Petition Date  | December 4, 2017   |
| Retention Date   | March 16, 2018<br><i>Nunc Pro Tunc</i> to February 14, 2018  |
| Date of order approving employment   | March 16, 2018   |
| Total compensation approved by interim order to date   | N/A  |
| Total expenses approved by interim order to date   | N/A  |
| Total allowed compensation paid to date  | \$0.00   |
| Total allowed expenses paid to date  | \$0.00   |
| Actual blended rate in the First Interim Application for all attorneys (Before Transition Discount)                            | \$935.43   |
| Actual blended rate in the First Interim Application for all timekeepers (Before Transition Discount)                          | \$913.20   |
| Compensation sought in the First Interim Application already paid pursuant to a monthly compensation order but not yet allowed | \$461,358.00   |
| Expenses sought in the First Interim Application already paid pursuant to a monthly compensation order but not yet allowed     | \$3,574.59   |
| Number of professionals included in the First Interim Application  | 15   |
| If applicable, number of professionals in the First Interim Application not included in staffing plan approved by client       | N/A  |
| If applicable, difference between fees budgeted and compensation sought during the Application Period                          | Fees Budgeted: \$722,000.00<br>Fees Sought: \$638,555.50 (net of \$50,000 transition reduction)<br>Difference: \$83,444.50 |
| Number of professionals billing fewer than 15 hours to the case during the Application Period                                  | 3  |
| Are any rates higher than those approved or disclosed at retention?  | No   |