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**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

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

Remaining Debtors.

Chapter 11

Case No. 17-12560 (BLS)

(Jointly Administered)

**FEE EXAMINER’S CONSOLIDATED FINAL REPORT REGARDING  
FINAL FEE APPLICATIONS OF (A) KLEE, TUCHIN, BOGDANOFF & STERN LLP,  
[DKT. NO. 3554]; (B) YOUNG CONAWAY STARGATT & TAYLOR, LLP  
[DKT. NO. 3555]; (C) HOMER BONNER JACOBS, PA [DKT. NO. 3543];  
(D) PROVINCE, INC. [DKT. NO. 3542]; (E) GARDEN CITY GROUP, LLC  
[DKT. NO. 3553]; (F) GLASER WEIL FINK HOWARD AVCHEN & SHAPIRO LLP  
[DKT. NO. 3566]; AND (G) BERKELEY RESEARCH GROUP, LLC [DKT. NO. 3558]**

Elise S. Frejka, the fee examiner (the “Fee Examiner”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) submits this final report (the “Final Report”) pursuant to the *Order Appointing Fee Examiner and Establishing Related Procedures for the Review of Fee Applications of Retained Professionals* (the “Fee Examiner Order”) [Dkt. No. 525] in connection with the applications for final allowance of compensation for professional services rendered and for reimbursement of actual and necessary expenses (each, a “Fee Application,” and together, the “Fee Applications”) of (i) Klee, Tuchin, Bogdanoff & Stern LLP (“KTBS”) [Dkt. No. 3554]; (ii) Young Conaway Stargatt & Taylor, LLP (“YCS&T”) [Dkt. No. 3555]; (iii) Homer Bonner

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<sup>1</sup> The Remaining Debtors and the last four digits of their respective federal tax identification number are as follows: Woodbridge Group of Companies, LLC (3603) and Woodbridge Investment Fund I, LLC (0172). The Remaining Debtors’ mailing address is 14140 Ventura Boulevard #302, Sherman Oaks, California 91423.

Jacobs, P.A. (“HBJ”) [Dkt. No. 3543]; (iv) Berkeley Research Group, LLC (“BRG”) [Dkt. No. 3558]; (v) Garden City Group, LLC (“GCG”) [Dkt. No. 3553]; (vi) Province, Inc [“Province”] [Dkt. No. 3542]; and (vii) Glaser Weil Fink Howard Avchen & Shapiro LLP (“GS”) [Dkt. No. 3566 (collectively, the “Retained Professionals”). Certain of the Retained Professionals also seek approval of fees and expenses incurred during the period from December 1, 2018 through February 15, 2019 (the “Stub Period”).

### **Background**

1. On December 4, 2017 (the “Petition Date”), all but fourteen of the Debtors commenced voluntary cases under chapter 11 of title 11 of the United States Code, as amended (the “Bankruptcy Code”). Thereafter, on February 9, 2018, March 9, 2018, March 23, 2018, and March 27, 2018, additional affiliated Debtors (27 in total) commenced voluntary cases under chapter 11 of the Bankruptcy Code. Prior to the Effective Date (defined below), the Debtors were operating their business and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. The Debtors’ Chapter 11 Cases are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 1015-1 of the Local Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”). As of the date hereof, no trustee or examiner has been appointed in these Chapter 11 Cases.

3. On December 14, 2017, the Acting United States Trustee for Region 3 (the “U.S. Trustee”), appointed an official committee of unsecured creditors (the “Committee”) [Dkt. No. 79]. On January 23, 2018, the Court held a hearing to resolve, among other things, two motions to appoint a chapter 11 trustee, and entered an order approving the settlement reached between the Debtors and other parties in interest (the “Settlement Order”) and incorporated a term sheet

(the “Term Sheet”) [Dkt. No. 357]. The terms of the settlement provided for, among other things, the formation of an ad hoc noteholder group (the “Noteholder Group”) and an ad hoc unitholder group (the “Unitholder Group”).

4. On August 22, 2018, the Debtors filed the First Amended Joint Chapter 11 Plan of Liquidation of Woodbridge Group of Companies, LLC and its Affiliated Debtors [Dkt. No. 2397] (as it may be amended, supplemented, or modified from time to time pursuant to the terms thereof, the “Plan”). On October 26, 2018, the Court entered an order confirming the Plan [Dkt. No. 2903]. The Plan went effective on February 15, 2019 (the “Effective Date”) [Dkt. No. 3421].

5. On February 8, 2018, after recognizing the size and complexity of the Chapter 11 Cases, the Court entered the Fee Examiner Order to assist the Court in its determination of whether applications for compensation are compliant with the Bankruptcy Code, all applicable Bankruptcy Rules, the Local Rules, the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330*, at 28 C.F.R. Part 58, Appendix A, and the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases*, effective as of November 1, 2013, at 28 C.F.R. Part 58, Appendix B (together, the “UST Guidelines”), and the *Order Establishing Interim Compensation Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* entered on January 9, 2018 (the “Interim Compensation Order”) [Dkt. No. 261].

6. Under paragraph 7 of the Fee Examiner Order, the Fee Examiner was charged by the Court with, among other things: (a) reviewing the interim and final fee applications filed by each applicant in these Chapter 11 Cases, along with the fee detail related thereto; (b) reviewing

any relevant documents filed in these Chapter 11 Cases to be generally familiar with these Chapter 11 Cases and the dockets; (c) within thirty (30) days after the filing of an interim or final fee application, serving an initial report on the applicant addressing whether the requested fees, disbursements and expenses are substantially in compliance with the applicable standards of sections 330 of the Bankruptcy Code and Local Rule 2016-2; (d) engaging in written communication with each applicant, the objective of which is to resolve matters raised in the initial report and endeavor to reach consensual resolution with each applicant with respect to the applicant's requested fees and expenses; and (e) following communications between the Fee Examiner and the applicant, and the Fee Examiner's review of any supplemental information provided by such applicant in response to the initial report, conclude the information resolution period by filing with the Court a final report with respect to each application within thirty (30) days after service of the initial report. Per the Fee Examiner Order, the final report shall be in a format designed to quantify and present factual data relevant to whether the requested fees and expenses of each applicant are substantially in compliance with the applicable standards of sections 330 of the Bankruptcy Code and Local Rule 2016-2, and whether the applicant has made a reasonable effort to comply with the UST Guidelines. The final report shall also inform the Court of all proposed consensual resolutions of the fee and/or expense reimbursement request for each applicant and the basis for such proposed consensual resolution.

7. In accordance with the Fee Examiner Order, the Fee Examiner reviewed the Fee Applications for compliance with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Interim Compensation Order, and the UST Guidelines. In addition, the Fee Examiner reviewed the Fee Applications for general compliance with legal precedent established by the District Court and Bankruptcy Court for the District of Delaware, the Fourth

Circuit Court of Appeals, and other applicable precedent. This process consisted of a detailed substantive review of the time and expense records by the Fee Examiner and her professionals using their expertise and judgment to identify noncompliant timekeeping practices and other areas of concern.

8. Due to the size and complexity of these Chapter 11 Cases, the Fee Examiner reviewed the time entries supporting the Fee Applications on a monthly basis, to the extent that LEDES or other electronic files were provided. This was an interactive process during the first interim fee period as the Fee Examiner provided extensive comments to the Retained Professionals to facilitate more compliant timekeeping on a go-forward basis and provide transparency into the fee review process. This informal exchange allowed for timekeeping adjustments to be made immediately by the Retained Professionals such that the timekeeping of each Retained Professional after the first interim fee period was significantly improved to the point where the Fee Examiner had few, if any, issues with the Retained Professionals referenced in this Final Report. Areas of general concern to the Fee Examiner during this monthly review were the role of each attorney attending hearings and meetings so that she could access case staffing issues and the benefit to the estate of certain work streams that the Fee Examiner deemed administrative in nature in addition to general concerns about block billing and vague entries.

9. The Fee Examiner issued an informal initial report to each Retained Professional to the extent she had any issues, questions, or concerns. Each initial report detailed the Fee Examiner's preliminary recommendations with respect to the specific Fee Application and, to the extent necessary, identified specific time or expense entries that required further information to assess compliance with the Bankruptcy Code, the Local Rules, and the UST Guidelines.

**Governing Statutory Sections**

10. Section 330 of the Bankruptcy Code provides:

(a)(1) After notice to the parties in interest and the United States Trustee and a hearing, and subject to sections 326, 328, and 329, the court may award to a trustee, a consumer privacy ombudsman appointed under section 332, an examiner, an ombudsman appointed under section 333, or a professional person employed under section 327 or 1103—

(A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, ombudsman, professional person, or attorney and by any paraprofessional person employed by any such person; and

(B) reimbursement for actual, necessary expenses.

(2) The court may, on its own motion or on the motion of the United States Trustee, the United States Trustee for the District or Region, the trustee for the estate, or any other party in interest, award compensation that is less than the amount of compensation that is requested.

(3) In determining the amount of reasonable compensation to be awarded to an examiner, trustee under chapter 11, or professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including—

(A) the time spent on such services;

(B) the rates charged for such services;

(C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;

(D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;

(E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and

(F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

(4)(A) Except as provided in subparagraph (B), the court shall not allow compensation for—

- (i) unnecessary duplication of services; or
- (ii) services that were not—
  - (I) reasonably likely to benefit the debtor's estate; or
  - (II) necessary to the administration of the case.

(5) The court shall reduce the amount of compensation awarded under this section by the amount of any interim compensation awarded under section 331, and, if the amount of such interim compensation exceeds the amount of compensation awarded under this section, may order the return of the excess to the estate.

(6) Any compensation awarded for the preparation of a fee application shall be based on the level and skill reasonably required to prepare the application.

11 U.S.C. § 330.

11. Section 330 of the Bankruptcy Code allows a bankruptcy court to award “reasonable compensation for actual, necessary services rendered by . . . professional[s].” 11 U.S.C. § 330(a)(1)(A). Reasonable compensation under section 330 is based on the nature, extent and value of the services, taking into account “all relevant factors . . . .” 11 U.S.C. § 330(a)(3).

12. The statute enumerates six (6) relevant factors that the court must consider to determine whether the fees are reasonable:

- The time spent on such services;
- The rates charged for such services;
- Whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of the cases;
- Whether the services were performed within a reasonable amount of time commensurate with the complexity, importance and nature of the problem, issue or task addressed;
- With respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and

- Whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in non-bankruptcy cases.

11 U.S.C. § 330(a)(3)(A)-(F).

13. Although the statute does specifically list factors to review when determining the reasonableness of fees, the list itself is not exhaustive. See 11 U.S.C. § 102(3) (terms “includes” and “including” are not limiting). Thus, the Court is “itself an expert on the question [of attorney’s fees] and may consider its own knowledge and experience concerning reasonable and proper fees and may form an independent judgment either with or without the aid of testimony of witnesses as to value.” See Campbell v. Green, 112 F.2d 143, 144 (5th Cir. 1940).

14. A fee applicant bears the burden of proof on all of the elements of a fee application, including proving that the services provided were necessary and reasonable and that the billed expenses were necessary, reasonable, and actually incurred. Zolfo, Cooper & Co. v. Sunbeam-Oster Co., 50 F.3d 253, 261 (3d Cir. 1995). The failure of an applicant to sustain the burden of proof as to the reasonableness of the compensation may result in the denial of the requested compensation. See Brake v. Tavormina (In re Beverly Mfg. Co.), 841 F.2d 365, 369 (11th Cir. 1988). Where appropriate, section 330 expressly authorizes this Court to award less than the amount requested by the fee applicant. See 11 U.S.C. § 330(a)(2).

15. Professional services are considered “actual and necessary” if they benefit the estate. In re APW Enclosure Sys., No. 06-11378, 2007 WL 3112414, at \*3 (Bankr. D. Del. Oct. 23, 2007). Success is not required, but rather the court “must conduct an objective inquiry based upon what services a reasonable professional would have performed in the same circumstances.” In re Channel Master Holdings, Inc., 309 B.R. 855, 861-62 (Bankr. D. Del. 2004) (quoting In re Cenargo Int’l, PLC 294 B.R. 571 (Bankr. S.D.N.Y. 2003); see also In re Jefsaba, Inc., 172 B.R. 786, 799 (Bankr. E.D. Pa. 1994) (“[S]o long as there was a reasonable chance of success which



outweighed the cost in pursuing the action, the fees relating thereto are compensable.”). The test of what is necessary cannot be applied in hindsight. If at the time the work is performed, it reasonably appears that it would benefit the estate, it may be compensated.” In re Berg, No. 05-39380 (DWS), 2008 WL 2857959 at \*7 (Bankr. E.D. Pa. July 21, 2008); see also Cenargo, 294 B.R. at 595 (when determining what is necessary, courts do not attempt to “invoke perfect hindsight.”).

16. The Fee Examiner focused her review on the following issues:

- a. Vague time entries that do not include complete activity descriptions “sufficiently detailed to allow the Court to determine whether all the time, or any portion thereof, is actual, reasonable and necessary . . . .” as required by Local Rule 2016-2(d) (hereinafter, “Vague Time Entries”).
- b. Block billed or “lumped” time entries that do not clearly identify each discrete task billed, indicate the date the task was performed, the precise amount of time spent (not to be billed in increments greater than one-tenth of an hour), who performed the task, the level of experience, and that person’s hourly rate as required by the UST Guidelines at C.9(d) (hereinafter, “Block Billing Entries”).
- c. Entries that the Fee Examiner identified as more in the nature of overhead or other administrative activities where the benefit to the Debtors’ estate was not readily ascertainable from the time entry (hereinafter “Administrative Entries”).
- d. Time entries where the sub-parts of a particular time entry did not equal the amount of time that was actually charged (hereinafter, “Over/Under Billing Entries”).
- e. Duplicate time entries (hereinafter, “Duplicate Entries”) where based upon the narrative the Fee Examiner was unable to ascertain if the timekeeper undertook separate tasks or the entry was duplicative.
- f. Time charges attributable to transitory timekeepers who billed less than five (5) hours per month during the Fee Period (hereinafter, “Transitory Timekeepers”). The Fee Examiner reviewed the nature of the work performed and the expertise the timekeeper brought to the case and made recommendations specific to the Retained Professionals.
- g. Staffing inefficiencies where the number of professionals participating in conference calls, meetings, depositions, and hearings appeared excessive and

the benefit to the estate appeared minimal or where the Retained Professional staffed the case with summer associates or unadmitted attorneys (hereinafter, "Staffing Inefficiency Entries").

- h. Mismatched entries where the professionals participating in conference calls, meetings, depositions and hearings billed differing amounts to the same activity ("Mismatched Time Entries").
- i. Budgeted fees vs. actual fees.
- j. Compliance with the Interim Compensation Order and the Fee Examiner Order.
- k. Expense reimbursement-related issues (flights, train travel, taxi/ground transportation, meals, service/booking fees, tips, photocopies/facsimiles, in-flight internet, upgrades, car service, and unknown expenses).

17. In undertaking her review, the Fee Examiner took into account reductions taken by the Retained Professionals in an exercise of their billing discretion prior to submission of the relevant fee application, whether the Retained Professional stayed within budget, and general staffing considerations.

#### **Fee Examiner's Recommendations**

18. The Final Report covers the final Fee Applications of the Retained Professionals, including the Stub Period. Per the process described above, the Fee Examiner has reached an agreement with all of the Retained Professionals. The Fee Examiner makes the following specific recommendations as to the fees to be allowed and expenses to be reimbursed:

#### **Klee, Tuchin, Bogdanoff & Stern LLP (Co-Counsel to the Debtors)**

19. On February 26, 2018, the Debtors filed the *Debtors' Application, Pursuant to Section 327(a) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure, and Local Rule 2014-1, for Entry of an Order Authorizing Employment and Retention of Klee, Tuchin, Bogdanoff & Stern LLP as Counsel for the Debtors and Debtors in Possession Nunc Pro Tunc to February 14, 2018* [Dkt. No. 657].

20. On March 16, 2018, the Bankruptcy Court entered the *Order, Pursuant to Section 327(a) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure, and Local Rule 2014-1, for Entry of an Order Authorizing Employment and Retention of Klee, Tuchin, Bogdanoff & Stern LLP as Counsel for the Debtors and Debtors in Possession Nunc Pro Tunc to February 14, 2018* [Dkt No. 767] (the “KTBS Employment Order”). Pursuant to the KTBS Employment Order, the Debtors were authorized to employ KTBS as their counsel to render general legal services to the Debtors as needed throughout the course of the Chapter 11 Cases. For its services, KTBS is compensated on an hourly basis subject to certain hourly rate caps (subject to adjustment at the conclusion of the Chapter 11 Cases) and a transition service discount.

21. During the Stub Period, KTBS filed three (3) monthly applications for compensation as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Approved to Date		Voluntary Reduction
		Capped Fees	Expenses	Fees	Expenses	Fees
01/15/2019 Dkt. 3320	12/01/2018 – 12/31/2018	\$514,727.50	\$15,681.35	\$411,782.00	\$15,681.35	\$39,061.50
02/19/2019 Dkt. 3419	01/01/2019 – 01/31/2019	\$626,705.00	\$5,063.97	\$501,364.00	\$5,063.97	\$98,787.50
03/19/2019 Dkt. 3505	02/01/2019 – 02/15/2019	<u>\$393,125.00</u>	<u>\$4,275.85</u>	<u>\$314,500.00</u>	<u>\$4,275.85</u>	<u>\$66,027.50</u>
<b>TOTAL</b>		<b>\$1,534,557.50</b>	<b>\$25,021.17</b>	<b>\$1,227,646.00</b>	<b>\$25,021.17</b>	<b>\$235,887.00</b>

22. The KTBS Fee Application requests a final allowance of compensation and reimbursement of expenses as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Fees Related to Final Fee Application	Voluntary Reduction Fees
		Fees	Expenses		
04/01/2019 Dkt. 3554	02/14/2018 – 02/14/2019	\$8,845,180.00	\$126,858.62	\$20,000.00	\$958,542.50

23. The Fee Examiner notes and appreciates that KTBS’s timekeeping was exceptional and substantially in compliance with the UST Guidelines and the Local Rules. After

her review of the Fee Application, prior Final Reports, the time and expenses supporting the Stub Period, and the voluntary reductions taken by KTB&S, the Fee Examiner recommends allowance of fees and reimbursement of expenses in the amounts requested on a final basis.

**Young Conaway Stargatt & Taylor, LLP (Co-Counsel to the Debtors)**

24. On December 20, 2017, the Debtors filed the *Debtors' Application for an Order Authorizing the Retention and Employment of Young Conaway Stargatt & Taylor, LLP as Co-Counsel for the Debtors, Effective as of the Petition Date* [Dkt No. 119].

25. On January 23, 2018, the Court entered the *Order Authorizing Retention and Employment of Young Conaway Stargatt & Taylor, LLP as Co-Counsel for the Debtors, Effective as of the Petition Date* [Dkt. No. 359] (the "YCS&T Employment Order"). Pursuant to the YCS&T Employment Order, the Debtors were authorized to employ YCS&T as their general bankruptcy and restructuring co-counsel to render general legal services to the Debtors as needed throughout the course of the Chapter 11 Cases. For its services, YCS&T is compensated on an hourly basis.

26. During the Stub Period, YCS&T filed three (3) monthly applications for compensation as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Approved to Date	
		Fees	Expenses	Fees	Expenses
01/22/2019 Dkt. 3343	12/01/2018 – 12/31/2018	\$67,346.50	\$10,119.36	\$53,877.20	\$10,119.36
02/19/2019 Dkt. 3416	01/01/2019 – 01/31/2019	\$47,039.00	\$1,892.11	\$37,631.20	\$1,892.11
04/01/2019 Dkt. 3555	02/01/2019- 02/15/2019	<u>43,946.50</u>	<u>\$4,119.40</u>	<u>Pending</u>	<u>Pending</u>
<b>TOTAL</b>		<b>\$158,332.00</b>	<b>\$16,130.87<sup>2</sup></b>	<b>\$91,508.40</b>	<b>\$12,011.47</b>

<sup>2</sup> In the YCS&T Fee Application, YCS&T reduced the amount of expenses by \$555.97 due to an accounting error in postage charges.

27. The YCS&T Final Fee Application requests a final allowance of compensation and reimbursement of expenses as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Voluntary Reduction Fees
		Fees	Expenses	
04/01/2019 Dkt. 3555	12/04/2017 – 02/15/2019	\$3,871,007.00 <sup>3</sup>	\$205,002.91	\$193,550.35

28. The Fee Examiner notes and appreciates that YCS&T's timekeeping was exceptional and substantially in compliance with the UST Guidelines and the Local Rules. After her review of the Fee Application, prior Final Reports, the time and expenses supporting the Stub Period, and the voluntary reductions taken by YCS&T, the Fee Examiner recommends allowance of fees and reimbursement of expenses in the amounts requested on a final basis.

**Berkeley Research Group, LLC (Tax Advisors to the Debtors)**

29. On March 7, 2018, the Debtors filed the *Debtors' Application for Order Authorizing the Retention and Employment of Berkeley Research Group, LLC as Tax Advisors to the Debtors and Debtors in Possession, Nunc Pro Tunc to February 15, 2018* [Dkt. No. 717].

30. On March 27, 2018, the Court entered the *Order Authorizing the Retention and Employment of Berkeley Research Group, LLC as Tax Advisors to the Debtors and Debtors in Possession, Nunc Pro Tunc to February 15, 2018* (the "BRG Employment Order") [Dkt No. 836]. Pursuant to the BRG Employment Order, the Debtors were authorized to employ BRG to perform tax advisory services. BRG agreed to be compensated on an hourly basis for services.

31. BRG filed the BRG Final Fee Application for allowance of compensation for professional services rendered and for reimbursement of actual and necessary expenses for the period from September 1, 2018 through November 30, 2018 requesting an allowance of

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<sup>3</sup> YCS&T seeks approval of 100% of the fees incurred but payment of 95% of such fees, or \$3,483,906.30.

compensation for professional services rendered in the amount of \$313,166.00 and reimbursement of actual and necessary expenses in the amount of \$2,883.00 [Dkt. No. 3307].

32. During the Stub Period, BRG filed three (3) monthly applications for compensation as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Approved to Date	
		Fees	Expenses	Fees	Expenses
02/15/2019 Dkt. 3411	12/01/2018 – 12/31/2018	\$53,777.00	\$1,940.17	\$43,021.60	\$1,940.17
02/15/2019 Dkt. 3412	01/01/2019 – 01/31/2019	\$83,643.00	\$807.14	\$66,914.40	\$807.14
03/19/2019 Dkt. 3558	02/01/2019 – 02/14/2019	<u>\$14,877.00</u>	<u>\$248.34</u>	<u>\$11,901.60</u>	<u>\$248.34</u>
<b>TOTAL</b>		<b>\$152,297.00</b>	<b>\$2,995.65</b>	<b>\$121,837.60</b>	<b>\$2,995.65</b>

33. The BRG Final Fee Application requests a final allowance of compensation and reimbursement of expenses as follows:

Dated Filed/ Docket No.	Period Covered	Requested	
		Fees	Expenses
04/01/2019 Dkt. 3558	02/15/2018 – 02/14/2019	\$1,063,474.00	\$7,728.29

34. The Fee Examiner notes and appreciates that BRG's timekeeping was exceptional and substantially in compliance with the UST Guidelines and the Local Rules. After her review of the Fee Application, prior Final Reports, the time and expenses supporting the Stub Period, the Fee Examiner recommends allowance of fees and reimbursement of expenses in the amounts requested on a final basis.

**Epiq Class Action and Claims Solutions, Inc./Garden City Group, LLC (Administrative Advisor to the Debtors)**

35. On December 19, 2017, the Debtors filed the *Debtors' Application for Entry of an Order Authorizing the Retention and Employment of Garden City Group, LLC as Administrative Advisor for the Debtors and Debtors in Possession Pursuant to 11 U.S.C. §§ 327(a) and 330, Nunc Pro Tunc to the Petition Date* [Dkt. No. 103].

36. On January 10, 2018, the Court entered the *Order Authorizing the Retention and Employment of Garden City Group, LLC as Administrative Advisor for the Debtors and Debtors in Possession Pursuant to 11 U.S.C. §§ 327(a) and 330, Nunc Pro Tunc to the Petition Date* (the “GCG Employment Order”) [Dkt. No. 274]. Pursuant to the GCG Employment Order, the Debtors were authorized to employ GCG as their administrative advisor to, among other things and as relevant to the GCG Fee Application, assist with the preparation of the Debtors’ schedules of assets and liabilities and statements of financial affairs. For its services, GCG is compensated on an hourly basis.

37. On June 15, 2018, Epiq Class Action and Claims Solutions, Inc. acquired GCG.

38. During the period November 1, 2018 through the Effective Date, GCG filed one (1) monthly application for compensation as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Approved to Date	
		Fees	Expenses	Fees	Expenses
04/1/2019 Dkt. 3553	11/1/2018 – 02/15/2019	<u>\$1,977.00</u>	<u>\$771.06</u>	<u>Pending</u>	<u>Pending</u>
<b>TOTAL</b>		<b>\$1,977.00</b>	<b>\$771.06</b>	<b>\$0.00</b>	<b>\$0.00</b>

39.

40. The GCG Final Fee Application requests a final allowance of compensation and reimbursement of expenses as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Estimated Fees Related to Final Fee Application
		Fees	Expenses	
4/01/2019 Dkt. 3553	12/04/2017 – 02/15/2019	\$449,873.50	\$2,365.28	\$3,800.00

41. The Fee Examiner notes and appreciates that GCG’s timekeeping was exceptional and substantially in compliance with the UST Guidelines and the Local Rules. After her review of the Fee Application, prior Final Reports, the time and expenses supporting the Stub Period, the Fee Examiner recommends allowance of fees and reimbursement of expenses in the amounts requested on a final basis.

**Province, Inc. LLP (Operational and Financial Advisors to the Debtors)**

42. On March 2, 2018, the Debtors filed the *Application for Entry of an Order, Pursuant to Section 327(a) of the Bankruptcy Code, Authorizing the Employment and Retention of Province, Inc. as Operational and Financial Advisors to the Debtors Nunc Pro Tunc to February 1, 2018* [Dkt. No. 692].

43. On March 27, 2018, the Court entered the *Order, Pursuant to Section 327(a) of the Bankruptcy Code, Authorizing the Employment and Retention of Province, Inc. as Operational and Financial Advisors to the Debtors Nunc Pro Tunc to February 1, 2018* (the “Province Employment Order”) [Dkt. No. 835]. Prior to the entry of the Province Employment Order, Province was retained by the Debtors to provide valuation services in connection with obtaining debtor-in-possession financing and without prejudice to the expansion of Province’s services upon separate application. Pursuant to the Province Employment Order, the Debtors were authorized to employ Province to provide consulting and advisory services to the Debtors. For its services, Province agreed to a flat fee of \$200,000.00 per month for the first six (6) months of its engagement, with the monthly fee to be reassessed at the end of the six-month period. The flat fee arrangement was reassessed and continued for the duration of the Chapter 11 Cases.

44. During the Stub Period, Province filed three (3) monthly applications for compensation as follows:



Dated Filed/ Docket No.	Period Covered	Requested		Approved to Date	
		Fees	Expenses	Fees	Expenses
01/28/2019 Dkt. No. 3357	12/01/2018 – 12/31/2018	\$200,000.00	\$53.33	\$160,000.00	\$23.18
03/1/2019 Dkt. No. 3454	01/01/2019 – 01/31/2019	\$200,000.00	\$209.04	\$160,000.00	\$27.25
03/29/2019 Dkt. No. 3542	02/01/2019 – 02/15/2019	<u>\$100,000.00</u>	<u>\$69.00</u>	<u>\$80,000.00</u>	<u>\$198.46</u>
<b>TOTAL</b>		<b>\$500,000.00</b>	<b>\$331.37</b>	<b>\$400,000.00</b>	<b>\$248.89</b>

45. The Province Final Fee Application requests a final allowance of compensation and reimbursement of expenses as follows:

Dated Filed/ Docket No.	Period Covered	Requested	
		Fees	Expenses
03/29/2019 Dkt. 3542	02/01/2018 – 02/15/2019	\$2,500,000	\$11,970.87

46. The Fee Examiner notes and appreciates that Province's timekeeping was exceptional and substantially in compliance with the UST Guidelines and the Local Rules. After her review of the Fee Application, prior Final Reports, the time and expenses supporting the Stub Period, the Fee Examiner recommends allowance of fees and reimbursement of expenses in the amounts requested on a final basis.

**Homer Bonner Jacobs, P.A. (Special Litigation Counsel to the Debtors)**

47. On December 20, 2017, the Debtors filed the *Debtors' Application for Entry of an Order Authorizing the Employment and Retention of Homer Bonner Jacobs, PA as Special Litigation Counsel to the Debtors and Debtors in Possession Nunc Pro Tunc to Petition Date* [Dkt. No. 111].

48. On January 23, 2018, the Court entered the *Order Authorizing the Employment and Retention of Homer Bonner Jacobs, PA as Special Litigation Counsel to the Debtors and Debtors in Possession Nunc Pro Tunc to Petition Date* [Dkt No. 361] (the "HBJ Employment Order"). Pursuant to the HBJ Employment Order, the Debtors were authorized to employ HBJ as their special litigation counsel to render professional services to the Debtors in connection

with certain SEC and related state regulatory investigations and enforcement actions. For its services, HBJ is compensated on an hourly basis subject to a discounted hourly rate for the lead professionals.

49. During the Stub Period, HBJ filed three (3) monthly applications for compensation as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Approved to Date	
		Fees	Expenses	Fees	Expenses
01/23/2019 Dkt. No. 3350	12/01/2018 – 12/31/2018	\$3,969.00	\$4.70	\$3,175.20	\$4.70
02/22/2019 Dkt. No. 3438	01/01/2019 – 01/31/2019	\$9,531.00	\$1.77	\$7,624.80	\$1.77
03/29/2019 Dkt. No. 3543	02/01/2019 – 02/15/2019	<u>\$4,815.00</u>	<u>\$14.37</u>	<u>\$3,852.00</u>	<u>\$14.37</u>
<b>TOTAL</b>		<b>\$18,315.00</b>	<b>\$20.84</b>	<b>\$14,652.00</b>	<b>\$20.84</b>

50. The HBJ Fee Application requests a final allowance of compensation and reimbursement of expenses as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Fees Related to Final Fee Application
		Fees	Expenses	
03/29/2019 Dkt. 3543	12/04/2018 – 02/14/2019	\$420,829.00 <sup>4</sup>	\$365,056.67	\$7,186.50 <sup>5</sup>

51. The Fee Examiner notes and appreciates that HBJ's timekeeping was exceptional and substantially in compliance with the UST Guidelines and the Local Rules. After her review of the Fee Application, prior Final Reports, the time and expenses supporting the Stub Period, and the voluntary reductions taken by HBJ, the Fee Examiner recommends allowance of fees and reimbursement of expenses in the amounts requested on a final basis.

<sup>4</sup> The final fee request has been increased by \$1,948.50 to capture the correct estimate for fees related to the final fee application.

<sup>5</sup> The Fee Examiner was advised by HBJ that this is the correct estimate and modified its request from \$5,238.00 to \$7,186.50.

**Glaser Weil Fink Howard Avchen & Shapiro, LLP**  
**(Special Real Estate and Land Use Counsel to the Debtors)**

52. On April 20, 2018, the Debtors filed the *Debtors' Application for Entry of an Order Authorizing the Debtors to Retain and employ Glaser Weil Fink Howard Avchen & Shapiro LLP as Special Real Estate and Land Use Counsel Nunc Pro Tunc to March 22, 2018* [Dkt. No. 1604].

53. On May 9, 2018, the Court entered the *Order Authorizing Debtors to Retain and Employ Glaser Weil Fink Howard Avchen & Shapiro LLP as Special Real Estate and Land Use Counsel Nunc Pro Tunc to March 22, 2018* [Dkt No. 1738] (the "GW Employment Order"). Pursuant to the GW Employment Order, the Debtors were authorized to employ GW as their special counsel to render professional services to the Debtors to (i) advise the Debtors on real estate and land use implications related to property the Debtors own, and (ii) advise the Debtors with respect to real estate assets and equity interests in which the Debtors have a direct or indirect interest.

54. For its services, GW is compensated on an hourly basis subject to a discounted hourly rate for all professionals. GW agreed to bill all attorneys (partners and associates) at a blended hourly rate of \$595.00, such that GW will receive, the lesser of its actual billed hourly rates and a blended hourly rate of \$595.00. The monthly discount taken with respect to this arrangement is listed below and billing totals reflect the agreed upon reduction.

55. During the November 1, 2018 through February 15, 2019, GW filed four (4) monthly applications for compensation as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Approved to Date		Voluntary Reduction	
		Fees	Expenses	Fees	Expenses	Fees at Actual Rates	Variance
01/03/2019 Dkt. 3262	11/1/2018 – 11/30/2018	\$184,725.00	\$1,441.85	\$147,780.00	\$1,441.85	\$212,489.00	\$27,764.00
02/19/2019 Dkt. 3422	12/1/2018 – 12/31/2018	\$143,023.50	\$2,798.72	\$114,418.80	\$2,798.72	\$158,475.00	\$15,451.50
03/22/2019 Dkt. 3516	01/01/2019 – 01/1/2019	\$206,849.50	\$654.90	\$165,479.60	\$654.90	\$235,505.50	\$28,656.00
04/02/2019 Dkt. 3566	02/1/2019 – 02/15/2019	<u>\$213,930.00</u>	<u>\$8,835.46</u>	<u>Pending</u>	<u>Pending</u>	<u>\$244,522.00</u>	<u>\$30,592.00</u>
<b>TOTAL</b>		<b>\$748,528.00</b>	<b>\$13,730.93</b>	<b>\$427,678.40</b>	<b>\$4,895.47</b>	<b>\$850,991.50</b>	<b>\$102,463.50</b>

56. The GW Fee Application requests a final allowance of compensation and reimbursement of expenses as follows:

Dated Filed/ Docket No.	Period Covered	Requested		Voluntary Reduction
		Fees	Expenses	
03/29/2019 Dkt. 3543	03/22/2018 – 02/15/2019	\$1,432,778.00	\$15,831.67	\$220,101.50

57. The Fee Examiner notes and appreciates that GW's timekeeping was substantially in compliance with the UST Guidelines and the Local Rules. After her review of the GW Fee Application, the Fee Examiner informally advised GW of her comments, concerns and questions and these were adequately addressed by GW. Accordingly, after her review of the Fee Application, prior Final Reports, the time and expenses supporting the Stub Period (plus December 2018), and the voluntary reductions taken by HBJ, the Fee Examiner recommends allowance of fees and reimbursement of expenses in the amounts requested on a final basis.

**Conclusion**

For the reasons stated above, the Fee Examiner recommends that the Court enter an Order, on a final basis, granting the final fee requests of the Retained Professionals in the amounts set forth herein.

Dated: New York, New York  
May 21, 2019

Respectfully Submitted,

ELISE S. FREJKA

  
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*Fee Examiner*