

Elise S. Frejka
Fee Examiner
FREJKA PLLC
420 Lexington Avenue – Suite 310
New York, New York 10178
Telephone: (212) 641-0800

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

In re:

WOODBIDGE GROUP OF COMPANIES,
LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-12560 (BLS)

(Jointly Administered)

**FEE EXAMINER’S CONSOLIDATED FINAL REPORT REGARDING FINAL
FEE APPLICATIONS OF (A) PACHULSKI STANG ZIEHL & JONES LLP [DKT. NO.
3557]; (B) BERGER SINGERMAN LLP [DKT. NO. 3541]; (C) VENABLE LLP
[DKT 3549, 3551]; (D) DRINKER BIDDLE & REATH LLP [DKT. NO. 3561]; (E) FTI
CONSULTING, INC. [DKT. NO. 3563]; (F) CONWAY MACKENZIE, INC.
[DKT. NO. 3562]; AND (G) DUNDON ADVISERS LLC [DKT. NO. 3561]**

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 a 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 (a) Pachulski Stang Ziehl & Jones LLP (“PSZ&J”) [Dkt. No. 3557]; (b) Berger Singerman, LLP (“Berger Singerman”) [Dkt. No. 3541]; (c) Venable LLP (“Venable”) [Dkt. No. 3549, 3551]; (d) Drinker Biddle & Reath LLP (“DBR”) [Dkt. No. 3564]; (e) FTI Consulting, Inc. (“FTI”) [Dkt. No. 3563]; (f) Conway MacKenzie, Inc. (“Conway

¹ 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.

MacKenzie”) [Dkt. No. 3562]; and (g) Dundon Advisers LLC (“Dundon”) [Dkt. No. 3561], (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 businesses 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 (as it may be amended, supplemented, or modified from time to time pursuant to the terms thereof, the “Plan”) [Dkt. No. 2397]. 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 requests 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:

- 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”).
- 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”).
- 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”).
- 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”).
- 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.
- 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.
- 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”).

- Mismatched entries where the professionals participating in conference calls, meetings, depositions and hearings billed differing amounts to the same activity (“Mismatched Time Entries”).
- Budgeted fees vs. actual fees.
- Compliance with the Interim Compensation Order and the Fee Examiner Order.
- 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:

A. Committee Professionals

Pachulski Stang Ziehl & Jones LLP (Counsel to the Committee)

19. On December 22, 2017, the Committee filed the *Application of the Official Committee of Unsecured Creditors for Order, Pursuant to 11 U.S.C. §§ 328, and 1103, Fed. R. Bankr. P. 2014, and Local Rule 2014-1, Authorizing and Approving the Employment and*

Retention of Pachulski Stang Ziehl & Jones LLP as Counsel to the Official Committee of Unsecured Creditors Nunc Pro Tunc to December 14, 2017 [Dkt. No. 137].

20. On January 18, 2018, the Court entered the *Order Authorizing and Approving the Retention of Pachulski Stang Ziehl & Jones LLP as Counsel to the Official Committee of Unsecured Creditors Nunc Pro Tunc to December 14, 2017* (the “PSZ&J Employment Order”) [Dkt. No. 320]. PSZ&J was retained as general bankruptcy counsel to the Committee. For its services, PSZ&J is compensated on an hourly basis.

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

Dated Filed/ Docket No.	Period Covered	Requested		Approved to Date	
		Fees	Expenses	Fees	Expenses
1/30/2019 Dkt. 3361	12/1/2018 – 12/31/2018	\$168,575.50	\$3,075.90	\$134,860.40	\$3,075.90
2/28/2019 Dkt. 3448	1/1/2019 – 1/31/2019	\$203,013.75	\$6,551.01	\$162,411.00	\$6,551.01
4/01/2019 Dkt. 3557	2/1/2019 – 2/15/2019	<u>\$205,879.50</u>	<u>\$1,058.60</u>	<u>Pending</u>	<u>Pending</u>
TOTAL		\$577,468.75	\$10,685.51	\$297,271.40	\$9,626.91

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

Dated Filed/ Docket No.	Period Covered	Requested		Voluntary Reduction	Fees Related to Final Fee Application
		Fees	Expenses		
4/01/2019 Dkt. 3557	12/14/2017 – 2/15/2019	\$4,813,031.53 ²	\$134,040.59	\$11,000.00 ³	\$15,000.00

23. The Fee Examiner notes and appreciates that PSZ&J’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

² The total fees requested has been increased with the consent of PSZ&J to include the fees related to the preparation of the PSZ&J final Fee Application.

³ PSZ&J billed a total of \$5,050,559.50 in fees during these Chapter 11 Cases.

Period, and the voluntary reductions taken by PSZ&J, the Fee Examiner recommends allowance of fees and reimbursement of expenses in the amounts requested on a final basis.

Berger Singerman LLP (Special Litigation Counsel to the Committee)

24. On January 5, 2018, the Committee filed the *Application Pursuant to Sections 328 and 1103 of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Rule 2014-1 for Authorization to Employ and Retain Berger Singerman LLP as Special Counsel for the Official Committee of Unsecured Creditors, Nunc Pro Tunc to December 26, 2017* [Dkt. No. 223].

25. On January 18, 2018, the Court entered the *Order Pursuant to Sections 328(a) and 1103 of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Rule 2014-1 Authorizing the Employment and Retention of Berger Singerman LLP as Special Counsel for the Official Committee of Unsecured Creditors, Nunc Pro Tunc to December 26, 2017* (the “Berger Singerman Employment Order”) [Dkt. No. 322]. Pursuant to the Berger Singerman Employment Order, the Committee was authorized to employ Berger Singerman as its special litigation counsel to render professional services to the Committee in connection with certain SEC and related state regulatory investigations and enforcement actions. For its services, Berger Singerman agreed to be compensated on an hourly basis.

26. During the Stub Period, Berger Singerman filed three (3) monthly applications for compensation as follows:

Date Filed/ Docket No.	Period Covered	Requested		Approved to Date	
		Fees	Expenses	Fees	Expenses
1/17/2019 Dkt. 3330	12/01/2018 – 12/31/2018	\$1,926.00	\$55.80	\$1,540.80	\$55.80
2/19/2019 Dkt. 3420	1/01/2019 – 1/31/2019	\$4,374.00	\$63.40	\$3,499.20	\$58.90
3/29/2019 Dkt. 3541	2/01/2019 – 2/15/2019	<u>\$2,073.00</u>	<u>\$28.30</u>	<u>Pending</u>	<u>Pending</u>
TOTAL		\$8,373.00	\$147.50	\$5,040.00	\$114.70

27. The Berger Singerman Fee Application requests a final allowance of compensation and reimbursement of expenses as follows:

Dated Filed/ Docket No.	Period Covered	Requested	
		Fees	Expenses
3/29/2019 Dkt. 3541	12/26/2017 – 2/15/2019	\$177,598.00	\$2,444.02

28. The Fee Examiner notes and appreciates that Berger Singerman'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.

FTI Consulting, Inc. (Financial Advisors to the Creditors Committee)

29. On December 22, 2017, the Committee filed the *Application Pursuant to Fed. R. Bankr. P. 2014(a) for Order Under Section 1103 of the Bankruptcy Code Authorizing the Employment and Retention of FTI Consulting, Inc. as Financial Advisors to the Official Committee of Unsecured Creditors Nunc Pro Tunc to December 14, 2017* [Dkt. No. 138].

30. On January 18, 2018, the Court entered the *Order Authorizing Retention of FTI Consulting, Inc. as Financial Advisor for the Official Committee of Unsecured Creditors* (the "FTI Employment Order") [Dkt. No. 321]. Pursuant to the FTI Employment Order, the Committee was authorized to employ FTI to perform financial advisory services to the Committee. For its services, FTI agreed to be compensated on an hourly basis.

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

Date Filed/ Docket No.	Period Covered	Requested		Approved to Date	
		Fees	Expenses	Fees	Expenses
2/12/2019 Dkt. 3388	12/01/2018 – 12/31/2018	\$13,358.00	\$360.97	\$10,686.40	\$360.97
3/8/2019 Dkt. 3471	1/01/2019 – 1/31/2019	\$11,877.00	\$0.00	\$9,501.60	\$0.00
4/1/2019 Dkt. 3563	2/01/2019 – 2/15/2019	<u>\$17,276.00</u>	<u>\$204.00</u>	<u>Pending</u>	<u>Pending</u>
TOTAL		\$42,511.00	\$564.97	\$20,188.00	\$360.97

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

Dated Filed/ Docket No.	Period Covered	Requested		Voluntary Reduction	Fees Related to Final Fee Application
		Fees	Expenses		
4/1/2019 Dkt. 3563	12/14/2017 – 2/15/2019	\$2,874,855.99 ⁴	\$17,280.37	\$150,729.26 ⁵	\$11,000.00

33. The Fee Examiner notes and appreciates that FTI'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 FTI, the Fee Examiner recommends allowance of fees and reimbursement of expenses in the amounts requested on a final basis.

B. Ad Hoc Committee of Unitholders Professional

Venable LLP (Counsel to the Unitholder Group)

34. On February 16, 2018, the Unitholder Group filed the *Application of the Fiduciary Committee of Unitholders for an Order, Pursuant to 11 U.S.C. §§ 328 and 1103, Fed. R. Bankr. P. 2014, and Local Rule 2014-1, Authorizing and Approving the Employment and Retention of Venable LLP as Counsel Nunc Pro Nunc to January 23*, [Dkt. No. 615].

⁴ The total fees requested has been increased with the consent of FTI to include the fees related to the preparation of the FTI final Fee Application.

⁵ FTI billed a total of \$3,014,585.25 in fees during these Chapter 11 Cases.

35. On March 8, 2018, the Court entered the *Order Authorizing and Approving the Retention and Employment of Venable LLP as Counsel to the Fiduciary Committee of Unitholders Nunc Pro Tunc to January 23, 2018* [Dkt No. 719] (the “Venable Employment Order”). Pursuant to the Venable Employment Order, the Unitholder Group was authorized to employ Venable as its general counsel. For its services, Venable is compensated on an hourly basis subject to the budget set forth in the Term Sheet, as subsequently amended.

36. For the period September 1, 2018 through the Effective Date, Venable filed six (6) monthly applications for compensation as follows:

Date Filed/ Docket No.	Period Covered	Requested		Approved to Date	
		Fees	Expenses	Fees	Expenses
10/24/2018 Dkt. 2875	9/1/2018 – 9/30/2018	\$61,913.50	\$2,113.35	Pending	Pending
12/18/2018 Dkt. 3193	10/01/2018 – 10/31/2018	\$79,130.50	\$2,113.70	Pending	Pending
3/8/2019 Dkt. 3470	11/01/2018 – 11/30/2018	\$35,522.50	\$723.03	Pending	Pending
3/27/2019 Dkt. 3522	12/01/2018 – 12/31/2018	\$19,790.00	\$0.00	Pending	Pending
3/27/2019 Dkt. 3523	1/01/2019 – 1/31/2019	\$7,143.50	\$0.00	Pending	Pending
3/27/2019 Dkt. 3525	2/01/2019 – 2/15/2019	<u>\$5,887.00</u>	<u>\$0.00</u>	Pending	Pending
TOTAL		\$209,387.00	\$4,950.08		

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

Dated Filed/ Docket No.	Period Covered	Requested	
		Fees	Expenses
4/1/2019 Dkt. 33549	1/23/2018 – 2/15/2019	\$2,194,137.25	\$57,619.48

38. The Fee Examiner notes and appreciates that Venable’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 voluntary reductions taken by

Venable, compliance with the Budget set forth in the Term Sheet (as amended), and the time and expense entries supporting the period September 1, 2018 through the Effective Date, the Fee Examiner recommends allowance of fees and reimbursement of expenses in the amounts requested on a final basis.

C. Ad Hoc Committee of Noteholders Professionals

Drinker Biddle & Reath LLP (Counsel to the Noteholder Group)

39. On March 19, 2018, the Noteholder Committee filed the *Application of the Ad Hoc Noteholder Group for Entry of an Order Authorizing the Employment and Retention of Drinker Biddle & Reath LLP as its Counsel Nunc Pro Tunc to January 23, 2018* [Dkt. No. 783].

40. On April 5, 2018, the Court entered the *Order Authorizing the Employment and Retention of Drinker Biddle & Reath LLP as Counsel for the Ad Hoc Noteholder Group* (the “DBR Employment Order”) [Dkt No. 915]. Pursuant to the DBR Employment Order, the Noteholder Group was authorized to employ DBR as its general counsel. For its services, DBR is compensated on an hourly basis subject to the budget set forth in the Term Sheet, as amended.

41. The DBR Fee Application is the first and final application of DBR and supports the following monthly applications:

Date Filed/ Docket No.	Period Covered	Requested		Approved to Date	
		Fees	Expenses	Fees	Expenses
8/23/2018 Dkt. 2408	2/1/2018 – 2/28/2018	\$319,585.50	\$1,186.37	\$255,668.40	\$1,186.37
10/23/2018 Dkt. 2862	3/01/2018 – 3/31/2018	\$290,240.25	\$3,572.88	\$232,192.20	\$3,572.88
10/29/2018 Dkt. 2907	4/01/2018 – 4/30/2018	\$189,046.00	\$5,844.35	\$151,236.80	\$5,844.35
11/5/2018 Dkt. 2931	5/1/2018 – 5/31/2018	\$203,093.00	\$3,158.13	\$162,474.40	\$3,158.13
11/5/2018 Dkt. 2954	6/1/2018 – 6/30/2018	\$189,579.50	\$4,889.80	\$151,663.60	\$4,889.80
11/15/2018 Dkt. 3003	7/1/2018 – 7/31/2018	\$144,208.00	\$1,590.23	\$115,366.40	\$1,590.23
11/16/2018	8/1/2018 –	\$147,585.00	\$2,715.17	\$118,068.00	\$2,715.17

Date Filed/	Period	Requested		Approved to Date	
Dkt. 3027	8/31/2018				
11/16/2018 Dkt. 3029	9/1/2018 – 9/30/2018	\$191,055.75	\$3,988.71	\$152,844.60	\$3,988.71
2/21/2019 Dkt. 3430	10/1/2018 – 10/31/2018	\$180,927.50	\$4,355.04	Pending	Pending
3/29/2019 Dkt. 3535	11/1/2018 – 11/30/2018	\$97,459.50	\$877.13	Pending	Pending
3/29/2019 Dkt. 3559	12/1/2018 – 12/31/2018	\$81,465.50	\$680.28	Pending	Pending
4/1/2019 Dkt. 3560	1/1/2019 – 2/15/2019	<u>\$126,419.75</u>	<u>\$1,939.41</u>	<u>Pending</u>	<u>Pending</u>
TOTAL		\$2,160,665.25	\$34,797.50	\$1,339,514.40	\$26,945.64

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

Dated Filed/ Docket No.	Period Covered	Requested	
		Fees	Expenses
4/1/2019 Dkt. 3564	2/1/2018 – 2/15/2019	\$2,160,665.25 ⁶	\$34,797.50

43. DBR filed the *Application of Drinker Biddle & Reath LLP as Counsel and on Behalf of the Ad Hoc Committee of Noteholders of Promissory Notes of Woodbridge Mortgage Investment Fund Entities and Affiliates Pursuant to 11 U.S.C. § 503(b)(3)(D) and (b)(4) for Allowance of Administrative Expenses Incurred in Making a Substantial Contribution in These Cases* on April 2, 2019 (the “Substantial Contribution Application”) [Dkt. No. 3565]. Both the Woodbridge Liquidation Trust and the U.S. Trustee filed objections to both the Substantial Contribution Application and the DBR Fee Application. See Dkt. Nos. 3620, 3626.

44. The Fee Examiner reviewed the time and expense entries supporting the DBR Fee Application and has had meaningful discussions with DBR with respect to the DBR time entries and work streams. Specifically, the Fee Examiner raised numerous issues regarding perceived Staffing Inefficiency Entries, Administrative Entries, and Transitory Timekeepers. The Fee

⁶ The total amount sought makes minor downward corrections to the amounts stated in the DBR Final Fee Application, to correspond to the monthly fee statements. This modification is acceptable to DBR.

Examiner also focused on DBR's non-compliance with the Interim Compensation Order and the Fee Examiner Order and whether DBR stayed within budget.

45. After numerous communications with DBR, the Woodbridge Liquidation Trust and the U.S. Trustee, the Substantial Contribution Application and the DBR Fee Application are settled and resolved as follows:

- DBR will file a notice of withdrawal of the Substantial Contribution Application with prejudice.
- DBR will receive \$1,566,720.11, less payments previously received in the amount of \$1,366,460.04, in full and final resolution of the DBR Fee Application.
- The Woodbridge Liquidation Trust will file a notice of withdrawal of the Objection to the Substantial Contribution Application and the DBR Fee Application.
- The proposed final fee order shall provide that upon entry of the order, the objection of the U.S. Trustee to the Substantial Contribution Application and the DBR Fee Application shall be deemed satisfied or resolved.

46. The Fee Examiner supports this resolution and believes that it adequately addresses the concerns raised by the various parties, including the Fee Examiner.

Conway MacKenzie, Inc. (Financial Advisor to the Noteholder Group)

47. On March 19, 2018, the Noteholder Group filed the *Application of the Ad Hoc Noteholder Group for entry of an Order, Pursuant to 28 U.S.C. §§ 1334 and 157, Authorizing and Approving the Employment and Retention of Conway MacKenzie, Inc. as Financial Advisor to the Ad Hoc Noteholder Group Nunc Pro Tunc to January 23, 2018* [Dkt. No. 784].

48. On April 5, 2018, the Court entered the *Order Authorizing and Approving the Retention of Conway MacKenzie, Inc. as Financial Advisor for the Ad Hoc Noteholder Group Nunc Pro Tunc to January 23, 2018* (the "Conway Employment Order") [Dkt No. 914].

Pursuant to the Conway McKenzie Employment Order, the Noteholder Group was authorized to

employ Conway MacKenzie as its Financial Advisor. For its services, Conway MacKenzie is compensated on an hourly basis subject to the budget set forth in the Term Sheet, as amended.

49. The Conway MacKenzie Fee Application supports the following monthly fee applications:

Date Filed/ Docket No.	Period Covered	Requested		Approved to Date	
		Fees	Expenses	Fees	Expenses
11/9/2018 Dkt. 2952	6/1/2018 – 6/30/2018	\$34,813.50	\$0.00	\$27,850.80	\$0.00
11/9/2018 Dkt. 2593	7/1/2018 – 7/31/2018	\$38,106.00	\$0.00	\$30,484.80	\$0.00
2/13/2019 Dkt. 3401	8/1/2018 – 1/31/2019	<u>\$224,902.50</u>	<u>\$198.33</u>	<u>\$174,922.00</u>	<u>\$198.33</u>
TOTAL		\$297,822.00	\$198.33	\$233,257.60	\$198.33

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

Dated Filed/ Docket No.	Period Covered	Requested	
		Fees	Expenses
4/1/2019 Dkt. 3562	2/5/2018 – 2/15/2019	\$613,173.50	\$2,916.40

51. The Woodbridge Liquidation Trust and Conway MacKenzie engaged in discussions regarding the allowance of final compensation and have agreed that Conway MacKenzie will receive, in the aggregate, \$488,455.20 in full and final resolution of the Conway MacKenzie Fee Application. This resolution adequately addresses any concerns that the Fee Examiner has with respect to the Conway MacKenzie Fee Application and the Fee Examiner recommends allowance in this amount on a final basis.

Dundon Advisers LLC (Financial Advisor to the Noteholder Group)

52. On April 6, 2018, the Noteholder Group filed the *Application of the Ad Hoc Noteholder Group for Entry of an Order, Pursuant to 28 U.S.C. §§ 1334 and 157, Authorizing*

and Approving the Employment and Retention of Dundon Advisers LLC as Financial Advisor to the Ad Hoc Noteholder Group Nunc Pro Tunc to February 5, 2018 [Dkt. No. 917].

53. On May 1, 2018, the Court entered the *Order Authorizing and Approving the Retention of Dundon Advisers LLC as Financial Advisor for the Ad Hoc Noteholder Group Nunc Pro Tunc to February 5, 2018* (the “Dundon Employment Order”) [Dkt No. 1699]. Pursuant to the Dundon Employment Order, the Noteholder Committee was authorized to employ Dundon as its Financial Advisor. For its services, Dundon is compensated on an hourly basis subject to the budget set forth in the Term Sheet, as amended.

54. The Dundon Fee Application supports the following monthly applications:

Date Filed/ Docket No.	Period Covered	Requested		Approved to Date	
		Fees	Expenses	Fees	Expenses
7/24/2018 Dkt. 2236	6/1/2018 – 6/30/2018	\$31,470.00	\$2,208.36	\$25,176.00	\$2,208.36
11/28/2018 Dkt. 3097	7/1/2018 – 10/31/2018	\$52,490.00	\$0.00	\$41,992.00	\$0.00
4/1/2019 Dkt. 3561	11/1/2018 – 2/15/2019	<u>\$18,590.00</u>	<u>\$0.00</u>	<u>Pending</u>	<u>\$0.00</u>
TOTAL		\$102,550.00	\$2,208.36	\$67,168.00	\$2,208.36

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

Dated Filed/ Docket No.	Period Covered	Requested	
		Fees	Expenses
4/1/2019 Dkt. 3561	2/5/2018 – 2/15/2019	\$271,890.00	\$8,316.69

56. The Woodbridge Liquidation Trust and Dundon engaged in discussions regarding the allowance of final compensation and have agreed that Dundon will receive, in the aggregate, \$244,824.69 in full and final resolution of the Dundon Fee Application. This resolution adequately addresses any concerns that the Fee Examiner has with respect to the Dundon Fee Application and the Fee Examiner recommends allowance in this amount on a final basis.

Conclusion

For the reasons stated above, and in the absence of any objection to the Fee Applications of the Retained Professionals, 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 22, 2019

Respectfully Submitted,

ELISE S. FREJKA



420 Lexington Avenue Suite 310

New York, New York 10170

Phone: 212-641-0800

Facsimile: 212-641-0800

Fee Examiner