

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

In re

Orexigen Therapeutics, Inc.,

Debtor.¹

Chapter 11

Case No. 18-10518 (KG)

Hearing Date:

January 25, 2019 at 11:00 a.m. (ET)

Objection Deadline:

January 4, 2019 at 4:00 p.m. (ET)

**THIRD INTERIM APPLICATION OF ERNST & YOUNG LLP FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR
THE PERIOD FROM SEPTEMBER 1, 2018 THROUGH NOVEMBER, 2018**

Name of applicant:

Ernst & Young LLP ("EY LLP")

Authorized to provide
professional services to:

The above-captioned debtor and debtor-in-
possession

Date of retention order:

April 11, 2018, *nunc pro tunc* to March 12,
2018

Period for which compensation and
reimbursement are sought:

September 1, 2018 through November 30,
2018

Amount of compensation sought as actual,
reasonable and necessary:

\$248,026.50

Amount of expense reimbursement sought as
actual, reasonable, and necessary:

\$6,873.61

This is a(n):

 x interim

 final application

¹ The last four digits of Debtor's federal tax identification number are (8822). The Debtor's mailing address for purposes of this Chapter 11 Case is 3344 North Torrey Pines Court, Suite 200, La Jolla, CA, 92037.



Summary of Monthly Fee Statements for Interim Fee Period:

Filing Date (Docket No.)	Period Covered	Total Fees Requested	Total Expenses Requested	Certificate of No Objection Filing Date (Docket No.)	Fees Allowed (80%)	Fee Holdback (20%)	Expenses Allowed (100%)
12/5/18 [D.I. 838]	9/1/18 through 9/30/18	\$116,370.00	\$6,737.36	12/21/18 [D.I. 874]	\$93,096.00	\$23,274.00	\$6,737.36
12/21/18 [D.I. 879]	10/1/18 through 10/31/18	\$94,181.50	\$136.25	Pending	\$75,345.20	\$18,836.30	\$136.25
12/21/18 [D.I. 881]	11/1/18 through 11/30/18	\$37,475.00	\$0	Pending	\$29,980.00	\$7,495.00	\$0

Summary of Any Objections to Monthly Fee Statements: NONE.

COMPENSATION SUMMARY BY PROFESSIONAL**September 2018**

Name	Title	Time	Hourly Rate	Total Fees
Pickering, Ben	Partner/Principal	45.00	\$850.00	\$38,250.00
Cahalane, Shawn	Manager	5.4	\$525.00	\$2,835.00
Demko, Danny	Manager	109.8	\$525.00	\$57,645.00
Giordano, Gregory	Analyst	48.4	\$225.00	\$10,890.00
Neziroski, David	Analyst	30.0	\$225.00	\$6,750.00
Total		238.6		\$116,370.00

October 2018

Name	Title	Time	Hourly Rate	Total Fees
Pickering, Ben	Partner/Principal	23.5	\$850.00	\$19,975.00
Pickering, Ben (Travel)	Partner/Principal	2.0	\$425.00	\$850.00
Richards, Briana	Partner/Principal	2.9	\$850.00	\$2,465.00
Tucker, Howard	Partner/Principal	0.6	\$850.00	\$510.00
Ritz, Amy Felice	Executive Director	0.7	\$750.00	\$525.00
Chavez, Julian	Senior Manager	1.0	\$625.00	\$625.00
Demko, Danny	Manager	126.8	\$525.00	\$66,570.00
McDonald, Matthew James	Senior Associate	1.7	\$395.00	\$671.50
Giordano, Gregory	Analyst	16.4	\$225.00	\$3,690.00
Total		173.6		\$94,181.50

November 2018

Name	Title	Time	Hourly Rate	Total Fees
Pickering, Ben	Partner/Principal	6.5	\$850.00	\$5,525.00
Demko, Danny	Manager	56.4	\$525.00	\$29,610.00
Giordano, Gregory	Analyst	7.2	\$225.00	\$1,620.00
Neziroski, David	Analyst	3.2	\$225.00	\$720.00
Total		73.3		\$37,475.00

COMPENSATION BY PROJECT CATEGORY**September 2018**

Project Category	Project Category Description	Time	Total Fees
Cash Collateral/DIP Financing	This category includes matters related to cash collateral and reporting requirements to the DIP lenders, and assistance and advice regarding the Debtor's Cash Collateral Stipulation with the lenders post-close of the sale transaction.	0.5	\$425.00
Cash Flow Forecasting	This category includes matters related to preparing, revising and reviewing the 13 week cash flow forecast pursuant to the cash collateral order.	36.5	\$16,797.50
Cash Flow Reporting	This category includes matters related to the weekly and cumulative budget to actual variance reporting as required pursuant to the cash collateral order to monitor compliance with cash flow covenants and to provide analyses for reporting on actual cash activity to stakeholders.	14.9	\$7,782.50
Cash Monitoring	This category relates to the weekly review of cash disbursements as compared to the cash collateral budget to monitor compliance with any covenants as described in the cash collateral motion and order, and the cash collateral stipulation.	16.3	\$5,200.00
Claims Analysis and Administration	This category relates to the review and analysis of priority, administrative and general unsecured claims calculated by the Debtor and/or asserted by creditors.	41.8	\$19,030.00
Fee/Employment Applications	This category relates to the preparation of monthly fee applications. During the period of September 1-30, 2018, EY reviewed and prepared and filed individual monthly application for the periods June, July and August 2018. In addition, the Second Interim Application was also prepared and filed with the courts	55.5	\$27,807.50
Financial Analysis	Includes analysis of financial information of a general nature including analysis and consolidation of accounts receivable, inventory and accounts payable data for use in multiple other analyses or activities, intercompany accounting analysis, reconciliations, and analysis of operating results including gross and net revenues and related gross-to-net expenditures, and other financial analysis with multiple applications.	43.0	\$20,910.00
Meetings with Management	This category relates to meetings held with the Debtor's management.	2.9	\$2,075.00
Plan and Disclosure Statement	This category includes the review, analysis, comments and supporting information for the drafting and updates to the Debtor's Plan and Disclosure Statement, including meetings, calls and correspondence with the Debtor, Debtor's counsel, and other parties.	2.3	\$1,760.00
SOFA & SOALS	This category includes activities associated with the collection and analysis of information, preparation, reconciliation, analysis, review and updates of the Schedules of Assets and Liabilities and the Statement of Financial Affairs	7.7	\$4,237.50
Tax Issues	Matters related to assessing the Debtor's current and future tax liability including assisting the Debtor's tax advisor with information requests, and assisting with the Debtor's potential tax liabilities arising from the sale of the assets, and the Debtor's potential benefit from a refundable tax credit.	5.7	\$4,227.50

Project Category	Project Category Description	Time	Total Fees
UST Reporting and MOR	This category includes activities associated with the collection of information, preparation, reconciliation and review of the Initial Debtor Interview and the Monthly Operating Report, and responding to requests from the US Trustee.	11.50	\$6,117.50
Total		238.6	\$116,370.00

October 2018

Project Category	Project Category Description	Time	Total Fees
Asset Sales/363 Process	This category includes the review, analysis, comments and supporting information for the Debtor's Asset Purchase Agreement and Schedules and matters relating to the sale of the Debtor's assets. In addition, this category includes communications with the stalking horse bidder, other interested parties and, ultimately, the purchaser with respect to diligence and information requests and responses, and post-close transition services agreement and activities.	8.30	4,942.50
Cash Flow Forecasting	This category includes matters related to preparing, revising and reviewing the 13 week cash flow forecast pursuant to the cash collateral order.	34.30	18,527.50
Cash Flow Reporting	This category includes matters related to the weekly and cumulative budget to actual variance reporting as required pursuant to the cash collateral order to monitor compliance with cash flow covenants and to provide analyses for reporting on actual cash activity to stakeholders.	21.10	9,872.50
Cash Monitoring	This category relates to the weekly review of cash disbursements as compared to the cash collateral budget to monitor compliance with any covenants as described in the cash collateral motion and order, and the cash collateral stipulation.	8.30	4,062.50
Claims Analysis and Administration	This category relates to the review and analysis of priority, administrative and general unsecured claims calculated by the Debtor and/or asserted by creditors.	34.50	18,720.00
Court Preparation & Attendance	This category relates to time incurred preparing for and attending court hearings either in person or telephonically.	1.80	1,530.00
Fee/Employment Applications	This category relates to the preparation of fee applications. During the period of September 1-30, 2018, EY reviewed and prepared and filed individual monthly application for the periods June, July and August 2018. In addition, the Second Interim Application was also prepared and filed with the courts	4.50	3,142.50

Project Category	Project Category Description	Time	Total Fees
Financial Analysis	Includes analysis of financial information of a general nature including analysis and consolidation of accounts receivable, inventory and accounts payable data for use in multiple other analyses or activities, intercompany accounting analysis, reconciliations, and analysis of operating results including gross and net revenues and related gross-to-net expenditures, and other financial analysis with multiple applications.	12.90	7,345.00
Meetings with Management	This category relates to meetings held with the Debtor's management.	6.50	3,245.00
Non-Working Travel (billed at 50% of rates)	This category includes all matters related to non-working travel and is billed at 50% of agreed upon rates.	2.00	850.00
Plan and Disclosure Statement	This category includes the review, analysis, comments and supporting information for the drafting and updates to the Debtor's Plan and Disclosure Statement, including meetings, calls and correspondence with the Debtor, Debtor's counsel, and other parties.	3.30	2,317.50
Tax Issues	Matters related to assessing the Debtor's current and future tax liability including assisting the Debtor's tax advisor with information requests, and assisting with the Debtor's potential tax liabilities arising from the sale of the assets, and the Debtor's potential benefit from a refundable tax credit.	8.80	5,566.50
UST Reporting and MOR	This category includes activities associated with the collection of information, preparation, reconciliation and review of the Initial Debtor Interview and the Monthly Operating Report, and responding to requests from the US Trustee.	16.20	8,630.00
Wind down Activities	This category relates to advice and analysis related to the Debtor's proposed wind down officer, and related operations of the Debtor post-close of the sale transaction.	11.10	5,430.00
Total		173.6	\$94,181.50

November 2018

Project Category	Project Category Description	Time	Total Fees
Cash Flow Forecasting	This category includes matters related to preparing, revising and reviewing the 13 week cash flow forecast pursuant to the cash collateral order.	20.4	\$10,710.00
Cash Flow Reporting	This category includes matters related to the weekly and cumulative budget to actual variance reporting as required pursuant to the cash collateral order to monitor compliance with cash flow covenants and to provide analyses for reporting on actual cash activity to stakeholders.	7.7	\$3,352.50
Cash Monitoring	This category relates to the weekly review of cash disbursements as compared to the cash collateral budget to monitor compliance with any covenants as described in the cash collateral motion and order, and the cash collateral stipulation.	2.5	\$1,487.50
Claims Analysis and Administration	This category relates to the review and analysis of priority, administrative and general unsecured claims calculated by the Debtor and/or asserted by creditors.	12.9	\$6,592.50
Fee/Employment Applications	This category relates to the preparation of fee applications. During the period of September 1-30, 2018, EY reviewed and prepared and filed individual monthly application for the periods June, July and August 2018. In addition, the Second Interim Application was also prepared and filed with the courts	5.7	\$2,845.00
Financial Analysis	Includes analysis of financial information of a general nature including analysis and consolidation of accounts receivable, inventory and accounts payable data for use in multiple other analyses or activities, intercompany accounting analysis, reconciliations, and analysis of operating results including gross and net revenues and related gross-to-net expenditures, and other financial analysis with multiple applications.	12.4	\$6,672.50
Meetings with Management	This category relates to meetings held with the Debtor's management.	4.4	\$2,525.00
Tax Issues	Matters related to assessing the Debtor's current and future tax liability including assisting the Debtor's tax advisor with information requests, and assisting with the Debtor's potential tax liabilities arising from the sale of the assets, and the Debtor's potential benefit from a refundable tax credit.	0.6	\$510.00
UST Reporting and MOR	This category includes activities associated with the collection of information, preparation, reconciliation and review of the Initial Debtor Interview and the Monthly Operating Report, and responding to requests from the US Trustee.	4.8	\$2,352.50
Wind down Activities	This category relates to advice and analysis related to the Debtor's proposed wind down officer, and related operations of the Debtor post-close of the sale transaction.	1.9	\$427.50
Total		73.3	\$37,475.00

SUMMARY OF EXPENSES**September 2018**

Expense Category	Amount
Airfare	\$2,701.80
Ground	\$473.25
Lodging	\$2,753.46
Meals	\$808.85
Total	\$6,737.36

October 2018

Expense Category	Amount
Ground	\$135.25
Total	\$136.25

PLEASE TAKE NOTICE that, pursuant to the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals*, entered on April 11, 2018, objections, if any, to the Interim Fee Application summarized above must be filed with the Court and served on the applicant at the address set forth below so as to be actually received on or before **January 4, 2019 at 4:00 p.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that if no objections to the Interim Fee Application are timely filed and received in accordance with this Notice, the Court may enter an order granting the Interim Fee Application without a hearing.

Dated: December 21, 2018

/s/ Ben Pickering
Ben Pickering
Ernst & Young LLP

VERIFICATION

I hereby certify that:

1. I am a principal of the applicant firm, Ernst & Young LLP, which serves as a professional in the above-referenced chapter 11 cases.
2. I have read the foregoing application of Ernst & Young LLP for allowance of compensation and reimbursement of expenses, and know the contents thereof. The contents of the application are correct to the best of my knowledge, information and belief.
3. To the best of my knowledge, information and belief, the application complies with Rule 2016-2 of the Local Rules for the United States Bankruptcy Court for the District of Delaware.

Dated: December 21, 2018

/s/ Ben Pickering
Ben Pickering
Ernst & Young LLP