

KURTZMAN CARSON CONSULTANTS LLC
Drake D. Foster
2335 Alaska Ave.
El Segundo, California 90245
(310) 823-9000

Hearing Date: October 19, 2016

Hearing Time: 10:00 a.m.

Objection Deadline: October 12, 2016
4:00 p.m.

*Administrative Agent for the
Debtors and Debtors-in-Possession*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

TGHI, INC., et al.,

Debtors¹

:
: Chapter 11
:
: Case No. 16-10300 (MEW)
:
: Jointly Administered
:
:

**SUMMARY OF FIRST AND FINAL APPLICATION FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES PURSUANT TO
SECTION 330 OF THE BANKRUPTCY CODE OF KURTZMAN CARSON
CONSULTANTS LLC, ADMINISTRATIVE AGENT FOR THE DEBTORS**

Name of Applicant:

Kurtzman Carson Consultants LLC

Authorized to Provide
Professional Services to:

TGHI, Inc. ("Holdings") and Parent THI, Inc.
("Parent," and together with Holdings, the
"Debtors")

Effective Date of Retention:

February 9, 2016

Period for Which Compensation
and Reimbursement is Sought:

February 9, 2016 through September 14, 2016
(the "Application Period")

Compensation Sought as Actual,

¹ The Debtors and the last four digits of their taxpayer identification numbers are as follows: Parent THI, Inc. (5521) and TGHI, Inc. (3814).



Reasonable and Necessary for
Application Period: \$1,525.00

Reimbursement of Expenses Sought
as Actual, Reasonable and Necessary
During Application Period: \$0.00

Number of Hours of Work Performed
During Application Period: 9.8

Blended Hourly Rate During
Application Period: \$155.61

Fees Previously Requested: \$0.00

Fees Previously Awarded: \$0.00

Expenses Previously Requested: \$0.00

Expenses Previously Awarded: \$0.00

This is a: ___ interim x final application

**FIRST AND FINAL APPLICATION FOR ALLOWANCE OF COMPENSATION
AND REIMBURSEMENT OF EXPENSES OF KURTZMAN CARSON
CONSULTANTS LLC, ADMINISTRATIVE AGENT FOR THE DEBTORS**

Fees by Professional

Name	Initials	Position	Hours	Rate	Total
Michael Hill	MJH	Senior Managing Consultant	0.4	\$170.00	\$68.00
James Lee	JEE	Senior Consultant	9.4	\$155.00	\$1,457.00

Fees by Project Category

Project Category	Total Hours	Total Fees
Schedules and Statements Services	9.8	\$1,525.00
TOTAL	9.8	\$1,525.00

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

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Chapter 11

TGHI, INC., et al.,

Case No. 16-10300 (MEW)

Debtors²

Jointly Administered

**FIRST AND FINAL APPLICATION FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES PURSUANT TO
SECTION 330 OF THE BANKRUPTCY CODE OF KURTZMAN CARSON
CONSULTANTS LLC, ADMINISTRATIVE AGENT FOR THE DEBTORS**

Kurtzman Carson Consultants LLC (“KCC”), administrative agent for TGH, Inc. (“Holdings”) and Parent TH, Inc. (“Parent,” and together with Holdings, the “Debtors”), in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), respectfully submits this first and final application (“Application”), pursuant to section 330 of title 11 of the United States Code (the “Bankruptcy Code”), for allowance, on a final basis, of (i) compensation for professional services rendered to the Debtors and (ii) for reimbursement of actual and necessary costs and expenses incurred in connection with KCC's performance of services for the Debtors in these

² The Debtors and the last four digits of their taxpayer identification numbers are as follows: Parent THI, Inc. (5521) and TGHI, Inc. (3814).

Chapter 11 Case from February 9, 2016 through September 14, 2016 (the “Application Period”).

In support of its Application, KCC respectfully represents as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue of this case is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicate for the relief sought herein is section 330 of the Bankruptcy Code and rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

BACKGROUND

2. On February 9, 2016 (the “Petition Date”), each of the Debtors filed a voluntary petition in this Court for relief under Chapter 11 of the Bankruptcy Code commencing the Chapter 11 Cases.

3. The Debtors continues to operate their respective businesses and manage their respective properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code.

4. No creditors’ committee, trustee or examiner has been appointed in the Debtors’ Chapter 11 Cases.

5. On April 15, 2016, the Debtors filed the *First Amended Joint Prepackaged Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* (the “Prepackaged Plan”) [Docket No. 42].

6. On August 30, 2016, the Bankruptcy Court entered its *Findings of Fact, Conclusions of Law, and Order (I) Approving the Debtors’ (A) Disclosure Statement Pursuant to Sections 1125 and 1126(b) of the Bankruptcy Code and (B) Solicitation of Votes and Solicitation*

Procedures and (II) Confirming the First Amended Joint Prepackaged Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code [Docket No. 65].

7. The Prepackaged Plan became effective by its terms on September 14, 2016 (the “Effective Date”).

PROFESSIONAL FEE MATTERS

8. On February 9, 2016, the Debtors filed their application to employ KCC as administrative agent for the Debtors (the “KCC Retention Application”) [Docket No. 5]. The KCC Retention Application was granted by order of the Bankruptcy Court dated March 15, 2016, nunc pro tunc to February 9, 2016 [Docket No. 34] (the “Retention Order”).

9. The Retention Order authorized KCC to provide the Debtors with the following bankruptcy administrative services, if and to the extent requested (collectively, the “Administrative Agent Services”) under the terms of that certain Services Agreement entered into by and among the Debtors and KCC: (a) assist with, among other things, solicitation, balloting, tabulation, and calculation of votes, as well as preparing any appropriate reports, as required in furtherance of confirmation of plan(s) of reorganization (the “Balloting Services”); (b) generate an official ballot certification and testify, if necessary, in support of the ballot tabulation results; (c) gather data in conjunction with the preparation, and assist with the preparation, of the Debtors’ schedules of assets and liabilities and statements of financial affairs; (d) managing and coordinating any distributions pursuant to a confirmed plan of reorganization or otherwise; and (e) provide such other processing, solicitation, balloting, and other administrative services described in the Agreement, but not included in the Section 156(c) Application, as may be requested from time to time by the Debtors, the Court, or the Clerk.

10. By this Application, KCC respectfully seeks an order of this Court, pursuant to Bankruptcy Code section 330, allowing KCC, on a final basis, the sum of (i) \$1,525.00 for compensation for services rendered during the Application Period, and (ii) the sum of \$0.00 for reimbursement of expenses incurred during the Application Period.

11. KCC has not sought or received payment of any compensation for services rendered or reimbursement of expenses since the Petition Date.

12. All services performed and expenses incurred by KCC for which compensation and reimbursement are requested hereby were performed or incurred for and on behalf of the Debtors, were necessary, and were beneficial to the Debtors' estates.

13. KCC submits that the Administrative Agent Services it rendered to the Debtors in connection with their chapter 11 cases were necessary and beneficial to the Debtors, their creditors and their estates. KCC's employees devoted substantial time providing administrative assistance in connection with administrative support in connection with the Debtors' preparation of their Schedules and Statements of Financial Affairs.

14. KCC maintained written records of the time spent by consultants in the rendition of Administrative Agent Services to the Debtors. KCC's daily time record detail is included as part of its invoice attached as Exhibit A.

15. The compensation sought by this Application does not include any fees or disbursements that may be payable by the Debtors for services provided by KCC under the Court's Order Authorizing the Debtors to Appoint Kurtzman Carson Consultants LLC as Claims and Noticing Agent [Docket No. 14] (the "Notice and Claims Agent Order"). Procedures for the payment of such fees and disbursements are separately addressed in the Notice and Claims Agent Order. Additionally, no fees and disbursements for services provided to the Debtors under the

Administrative Agent Order are or will be sought to be paid under the Notice and Claims Agent Order.

**DESCRIPTION OF SERVICES PERFORMED DURING
THE APPLICATION PERIOD BY PROJECT CATEGORY**

16. During the Application Period, KCC committed a team lead by Senior Managing Consultants with extensive experience and expertise in providing data processing and administrative support to chapter 11 debtors and their professionals, including in connection with the preparation of Schedules and Statements and providing related administrative support. KCC's Senior Managing Consultants and Consultants worked closely with the Debtors and their representatives and counsel. As part of this commitment to the Debtors' chapter 11 cases, the KCC team was available to the Debtors and their counsel around the clock.

17. The services provided included 9.8 hours of schedules and statements support time performed working with the Debtors' professionals to compile and prepare data for the Debtors' inclusion in their Schedules and Statements and inputting such data into KCC's proprietary database. The case team also prepared drafts of the Schedules and Statements based on the Debtors' data and under the direction of the Debtors and their professionals

LEGAL AUTHORITY FOR REQUESTED COMPENSATION

18. Section 330(a)(1) of the Bankruptcy Code provides that a bankruptcy court may award "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 ...reimbursement of actual, necessary expenses." See 11 U.S.C. §330(a)(1).

19. When determining reasonable compensation for professionals, the court utilizes standards found within section 330 of the Bankruptcy Code. Section 330, and specifically subsection (a)(3), was amended in 1994 to codify the factors historically relied upon by the courts found in Johnson v. Georgia Highway Express, 488 F.2d 714 (5th Cir. 1977) and Am. Benefit Life Ins. Co. v. Baddock (In re First Colonial Corp.), 544 F.2d 1291, 1294 (5th Cir. 1977).

20. Under section 330(a)(3), the court is provided with latitude to consider “all relevant factors,” with express enumeration of the following criteria:

- (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 services were 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.

11 U.S.C. §330(a)(3).

21. Courts in the Second Circuit have employed the “lodestar approach” for calculating judicial awards of compensation to attorneys. Developed by the Third Circuit in Lindy Bros. Builders Inc. v. American Radiator and Standard Sanitary Corp., 487 F.2d 161 (3d

Cir. 1973), the “lodestar approach” involves multiplying the hours spent on a case, based on attorney time records, by a reasonable hourly rate of compensation for each attorney based on those normally charged for similar work by attorneys of comparable skill and experience, Arbor Hill Concerned Citizens Neighborhood Ass'n v. Cty of Albany, 522 F.3d 182, 186 (2d Cir. N.Y. 2007) (“Arbor Hill”); Savoie v. Merchants Bank, 166 F.3d 456, 460 (2d Cir. 1999); Detroit v. Grinnell Corp., 560 F.2d 1093, 1098 (2d Cir. N.Y. 1977). The resulting “lodestar” figure is presumed reasonable. Arbor Hill, 522 F.3d at 189; Madison Realty Capital, L.P. v. Morris, 2009 U.S. Dist. LEXIS 129175, at *22 (S.D.N.Y. June 25, 2009) (citing Arbor Hill).

22. Once calculated, the lodestar amount may be adjusted upward or downward to take into account the facts of the particular case. See, Savoie v. Merchants Bank, 166 F.3d at 460. Factors reflecting the litigation risk, complexity of the issues, contingent nature of the engagement, skill of the attorneys, and other factors may thereafter be employed to arrive at a reasonable and just compensation in excess of the lodestar figure. Savoie v. Merchants Bank, 166 F.3d at 460; In re Flag Telecom Holdings, 2010 U.S. Dist. LEXIS 119702, at *69 (S.D.N.Y. Nov. 5, 2010).

23. KCC respectfully submits that the services rendered and expenses incurred during the Application Period for which KCC seeks compensation and reimbursement clearly satisfy the requisite standards of reasonableness including, inter alia, the following: the time and labor required; the novelty and difficulty of the questions and matters resolved; the skill required to perform the services properly; the experience, reputation and ability of the professional performing the services; the fees charged and fees awarded in similar cases; the time involved; the undesirability of the case; and the results obtained. KCC respectfully submits that

application of the foregoing criteria more than justifies awarding payment in full of the compensation requested in this Application because the number of hours expended by and the hourly rates of KCC are more than reasonable.

DECLARATION PURSUANT TO BANKRUPTCY RULE 2016

24. No agreement or understanding exists between the Debtors and any other person, or KCC and any other person, for a division of compensation received or to be received for services rendered in or in connection with the Chapter 11 Cases.

25. No agreement or understanding prohibited by 18 U.S.C. §155 has been or will be made by KCC. The services were performed for and on behalf of the Debtors.

WHEREFORE, KCC respectfully requests that this Court enter an order (a) allowing KCC, on a final basis, the sum of \$1,525.00 for compensation for services rendered during the Application Period, and (b) authorizing and directing the Debtors to pay KCC such allowed amounts.

Dated: El Segundo, California
September 22, 2016

KURTZMAN CARSON CONSULTANTS LLC

By: /s/ Drake D. Foster
Drake D. Foster
2335 Alaska Ave.
El Segundo, California 90245
(310) 823-9000

Administrative Agent for the Debtors and Debtors-in-Possession

Exhibit A

Kurtzman Carson Consultants LLC

Account Number	70639KCC	Invoice Date	May 3, 2016
Invoice Number	US_KCC1018731	Due Date	Due upon receipt

TGHI Inc.
Summary

<u>Description</u>	<u>Amount</u>
<u>Hourly Fees</u>	
Hourly Fees Charged	\$1,525.00
<i>Total of Hourly Fees</i>	\$1,525.00
<u>Expenses</u>	
Expenses	\$0.00
<i>Total Expenses</i>	\$0.00
<i>Invoice Subtotal</i>	\$1,525.00
Sales and Use Tax	0.00
<i>Total Invoice</i>	\$1,525.00

Please detach and return this portion of the statement with your check to KCC.
Please reference your Account Number and Invoice Number on your Remittance.

Account Number 70639KCC
Invoice Number US_KCC1018731
Total Amount Due \$1,525.00
Amount Paid \$

Check Payments to:
Kurtzman Carson Consultants LLC
Dept CH 16639
Palatine, IL 60055-6639

Wire Payments to:
Kurtzman Carson Consultants LLC
HSBC Bank, NA
452 Fifth Avenue, New York, NY 10018
Account # 000183571
FED ABA # 021001088
ACH Routing # 022000020

Kurtzman Carson Consultants LLC

02/01/2016 - 02/29/2016

Total Hourly Fees by Employee

<u>Initial</u>	<u>Employee Name</u>	<u>Position Type</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
JEE	James Lee	SC	8.20	\$155.00	\$1,271.00
JEE	James Lee	SOL	1.20	\$155.00	\$186.00
MJH	Michael J. Hill	SMC	0.40	\$170.00	\$68.00
<i>Total</i>					<i>\$1,525.00</i>

Kurtzman Carson Consultants LLC

02/01/2016 - 02/29/2016

Time Detail

<u>Date</u>	<u>Employee</u>	<u>Description</u>	<u>Position Type</u>	<u>Category</u>	<u>Hours</u>
2/9/2016	JEE	Update schedule G with additional indemnification agreements	SC	Schedules & SOFA	0.30
2/9/2016	JEE	Review former D&O information for schedules data	SC	Schedules & SOFA	0.40
Total for 2/9/2016					0.70
2/10/2016	JEE	Prepare revised sets of schedules and SOFA for counsel review	SC	Schedules & SOFA	1.00
2/10/2016	JEE	Update SOFA with updated data for question 29	SC	Schedules & SOFA	0.50
2/10/2016	MJH	Attention to revisions to SOFA drafts as received from counsel; review same as input into KCC systems	SMC	Schedules & SOFA	0.40
2/10/2016	JEE	Draft voting certification	SOL	Solicitation	1.20
Total for 2/10/2016					3.10
2/18/2016	JEE	Revise schedules and SOFAs w/ comments from counsel	SC	Schedules & SOFA	2.50
Total for 2/18/2016					2.50
2/19/2016	JEE	Finalize schedules and SOFA for filing	SC	Schedules & SOFA	1.00
2/19/2016	JEE	Update schedules and SOFA w/ additional info from counsel	SC	Schedules & SOFA	2.50
Total for 2/19/2016					3.50
Total Hours					9.80

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TGHI, INC., et al.,

Debtors³

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: Case No. 16-10300 (MEW)
:
: Jointly Administered
:
:

CERTIFICATION

Tracy L. Klestadt, an attorney duly admitted to practice before this Court and the courts of the State of New York, hereby certifies, in accordance with the Administrative Guidelines enacted by Order of the United States Bankruptcy Court for the Southern District of New York dated January 29, 2013 (“General Order M-447”) and the Guidelines for Reviewing Applications For Compensation as promulgated by the United States Trustee on January 30, 1996 (“U.S. Trustee Guidelines”) as follows:

1. I am General Counsel of Kurtzman Carson Consultants LLC (“KCC”), and I submit this Certification with respect to the First and Final Application for Allowance of

³ The Debtors and the last four digits of their taxpayer identification numbers are as follows: Parent THI, Inc. (5521) and TGHI, Inc. (3814).

Compensation and Reimbursement of Expenses Pursuant to Section 330 of the Bankruptcy Code of Kurtzman Carson Consultants LLC, Administrative Agent for the Debtors (the "Application") submitted by KCC, administrative agents for TGHI, Inc. ("Holdings") and Parent THI, Inc. ("Parent," and together with Holdings, the "Debtors") in the above-captioned Chapter 11 Cases.

2. I have read the aforementioned Application.

3. To the best of my knowledge, information and belief formed after reasonable inquiry, said Application complies with the mandatory guidelines set forth in General Order M-447 and the U.S. Trustee Guidelines.

4. To the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought in said Application fall within these guidelines.

5. The fees sought in said Application are billed at rates and in accordance with practices customarily employed by the KCC and generally accepted by KCC's clients. No disbursements are sought.

6. The Debtors, the United States Trustee and all other parties having filed a notice of appearance will be served with a copy of the Application no later than twenty-one (21) days before the hearing on the Application.

7. A representative of KCC will be present at the hearing on the Application referred to herein.

Dated: El Segundo, California
September 22, 2016

KURTZMAN CARSON CONSULTANTS LLC

By: /s/ Drake D. Foster

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