

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re

ALDRICH PUMP LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-____ (___)

(Joint Administration Requested)

**MOTION OF THE DEBTORS FOR AN ORDER
ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION
AND REIMBURSEMENT OF EXPENSES OF RETAINED PROFESSIONALS**

Aldrich Pump LLC and Murray Boiler LLC, as debtors and debtors in possession (together, the "Debtors"), hereby move the Court for the entry of an order establishing procedures for interim compensation and reimbursement of expenses of Retained Professionals (as defined herein). In support of this Motion, the Debtors respectfully represent as follows:

Background

1. On the date hereof (the "Petition Date"), the Debtors commenced their reorganization cases (the "Chapter 11 Cases") by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

2. The Debtors are authorized to continue to manage their property and operate their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. A comprehensive description of the Debtors, their history, their assets and liabilities, and the events leading to the commencement of these Chapter 11 Cases can be found in the *Declaration of Ray Pittard in Support of First Day Pleadings* (the "Pittard Declaration")

¹ The Debtors are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Aldrich Pump LLC (2290) and Murray Boiler LLC (0679). The Debtors' address is 800-E Beaty Street, Davidson, North Carolina 28036.



and the *Declaration of Allan Tananbaum in Support of Debtors' Complaint for Injunctive and Declaratory Relief, Related Motions, and the Chapter 11 Cases* (together with the Pittard Declaration, the "First Day Declarations"), which were filed contemporaneously herewith and are incorporated herein by reference. In addition to the First Day Declarations, the Debtors have filed an Informational Brief to provide additional information about their asbestos litigation, related costs, and plans to address these matters in these Chapter 11 Cases.

Jurisdiction

4. This Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

5. Pursuant to sections 105(a) and 331 of the Bankruptcy Code, Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 2016-1 of the Rules of Practice and Procedure of the United States Bankruptcy Court for the Western District of North Carolina (the "Local Bankruptcy Rules"), the Debtors hereby seek the entry of an order, substantially in the form attached hereto as Exhibit A, establishing procedures for the compensation and reimbursement of professionals whose retentions are approved by this Court pursuant to sections 327 or 1103 of the Bankruptcy Code on a monthly basis, on terms comparable to the procedures established in other large chapter 11 cases.

Facts Relevant to This Motion

6. By applications filed with the Court, the Debtors have sought authorization to retain and employ, pursuant to section 327 of the Bankruptcy Code: (a) Jones Day, as lead bankruptcy counsel; (b) Rayburn Cooper & Durham, P.A., as co-counsel; (c) Bates White, LLC, as asbestos consultants; (d) Evert Weathersby Houff LLC, as special asbestos

litigation counsel; (e) AlixPartners, LLP, as financial advisor; and (f) K&L Gates LLP, as special insurance counsel. As these Chapter 11 Cases progress, the Debtors may need to retain additional professionals. In addition, a statutory committee of asbestos claimants (the "Committee") and a legal representative for future asbestos claimants (the "Future Claimants' Representative") are expected to be appointed in these Chapter 11 Cases. It is anticipated that any Committee and Future Claimants' Representative would retain counsel, and other professionals, to assist them in fulfilling their obligations.

7. Contemporaneously with this Motion, the Debtors also have filed the *Motion of the Debtors for an Order Authorizing the Retention and Compensation of Professionals Utilized by the Debtors in the Ordinary Course of Business* (the "Ordinary Course Professionals Motion") seeking authority to continue to employ, retain, and pay certain professionals (collectively, the "Ordinary Course Professionals") in the ordinary course of business on terms substantially similar to those in effect prior to the Petition Date, without the need to file individual retention applications for each of these professionals. In particular, the Ordinary Course Professionals Motion seeks authority for the Debtors to pay Ordinary Course Professionals in full, without the need to file interim or final fee applications, in accordance with their prepetition arrangements, but subject to certain fee caps and other procedural requirements and limitations described therein. Under certain circumstances, Ordinary Course Professionals whose fees exceed established dollar limitations will be required to file applications with the Court before being paid.

8. Thus, there are two categories of professionals who may be required to submit, pursuant to section 331 of the Bankruptcy Code, interim or final fee applications seeking compensation for services rendered and reimbursement of expenses incurred: (a) chapter 11

professionals separately retained under sections 327 or 1103 of the Bankruptcy Code (collectively, the "Retained Professionals"); and (b) under certain conditions, those Ordinary Course Professionals whose fees and expenses exceed the limitations set forth in the order approving the Ordinary Course Professionals Motion. Only the Retained Professionals will be required to comply with the proposed compensation and reimbursement procedures outlined herein.

Compensation Procedures

9. The Debtors propose that, except as otherwise provided in an order of the Court authorizing the retention of a particular Retained Professional, the Retained Professionals be permitted to seek interim payment of compensation and reimbursement of expenses in accordance with the following procedures (collectively, the "Compensation Procedures"):

- (a) Each Retained Professional seeking monthly compensation must submit a monthly fee statement (a "Monthly Fee Statement"), which submission may be via hand delivery, overnight courier, first class mail, or e-mail, so as to be received no later than 30 days after the end of the month for which the fees are sought, to the following parties (collectively, the "Notice Parties"):
 - (i) the Debtors, Aldrich Pump LLC and Murray Boiler LLC, 800-E Beaty Street, Davidson, North Carolina 28036 (Attn: Allan Tananbaum, Esq., atananbaum@tranetechnologies.com);
 - (ii) the Debtors' counsel, (A) Jones Day, 77 West Wacker, Chicago, Illinois 60601 (Attn: Brad B. Erens, Esq., bberens@jonesday.com, Mark A. Cody, Esq., macody@jonesday.com, and Caitlin K. Cahow, Esq., ccahow@jonesday.com); and (B) Rayburn Cooper & Durham, P.A., 227 West Trade Street, Suite 1200, Charlotte, North Carolina 28202 (Attn: C. Richard Rayburn, Jr., Esq., rrayburn@rcdlaw.net and John R. Miller, Jr., Esq., jmiller@rcdlaw.net);

- (iii) the United States Bankruptcy Administrator for the Western District of North Carolina (the "Bankruptcy Administrator"), 402 West Trade Street, Suite 200, Charlotte, North Carolina 28202 (Attn: Shelley K. Abel, feeapplications@ncwba.uscourts.gov);
 - (iv) counsel to the Debtors' non-debtor affiliates, Trane Technologies Company LLC and Trane U.S. Inc., (A) McCarter & English, LLP, 1600 Market St., Suite 3900, Philadelphia, Pennsylvania 19103 (Attn: Philip D. Amoa, Esq., pamoamccarter.com); (B) McCarter & English, LLP, Four Gateway Center, 100 Mulberry St., Newark, New Jersey 07102 (Attn: Anthony Bartell, Esq., abartellmccarter.com and Phillip S. Pavlick, Esq., ppavlickmccarter.com); (C) McCarter & English, LLP, Worldwide Plaza, 825 Eighth Ave, 31st Floor, New York, New York 10019 (Attn: Gregory J. Mascitti, Esq., gmascittimccarter.com); and (D) Burt & Cordes, PLLC, 122 Cherokee Road, Suite 1, Charlotte, North Carolina 28207 (Attn: Stacy C. Cordes, Esq., scordesburtcordeslaw.com);
 - (v) counsel to any Committee and Future Claimants' Representative appointed in these Chapter 11 Cases; and
 - (vi) any other parties that the Court may designate.
- (b) Unless otherwise provided in the order authorizing the Retained Professional's retention, each Retained Professional's Monthly Fee Statement, in accordance with Local Bankruptcy Rule 2016-1, shall include (i) a monthly invoice with fee and expense detail that describes the fees and expenses incurred by such Retained Professional in accordance with the *Guidelines for Compensation and Expense Reimbursement of Professionals* promulgated by the Court (the "Compensation Guidelines") and (ii) any additional information required by the Compensation Guidelines.
- (c) Time spent traveling in connection with these Chapter 11 Cases without actively working on these Chapter 11 Cases shall be billed at 50% of the professional's normal hourly rate, and shall not be billed to the Debtors to the extent the professional is working on other matters while traveling.
- (d) Any Retained Professional who fails to submit a Monthly Fee Statement for a particular month or months may subsequently submit a consolidated Monthly Fee Statement for multiple months

provided that separate fee and expense information for each applicable month is provided in the consolidated statement.

- (e) All Monthly Fee Statements shall comply with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the Compensation Guidelines, and applicable law.
- (f) Each Notice Party will have 14 days after service of a Monthly Fee Statement to object to such statement (the "Objection Deadline"). Upon the expiration of the Objection Deadline, the Debtors will be authorized to pay each Retained Professional an amount (the "Authorized Payment") equal to the lesser of (i) 90% of the fees and 100% of the expenses requested in the Monthly Fee Statement (the "Maximum Payment") and (ii) the aggregate amount of fees and expenses not subject to an unresolved objection pursuant to paragraph 10(g) below. On notice to the Debtors, each Retained Professional is authorized to use any remaining amount of its prepetition retainer to satisfy some or all of an Authorized Payment; provided that each professional shall utilize any remaining retainer by the time it files its first Interim Fee Application (as defined below) or as soon thereafter as is practicable.
- (g) If any Notice Party objects to a Retained Professional's Monthly Fee Statement, it must serve on the affected Retained Professional and each of the other Notice Parties a written objection (the "Objection") so that it is received on or before the Objection Deadline. Thereafter, the objecting party and the affected Retained Professional may attempt to resolve the Objection on a consensual basis. If the parties are unable to reach a resolution of the Objection within 14 days after service of the Objection, or such later date as may be agreed upon by the objecting Notice Party and the affected Retained Professional, the affected Retained Professional may either: (i) file a response to the Objection with the Court, together with a request for payment of the difference, if any, between the Maximum Payment and the Authorized Payment made to the affected Retained Professional (the "Incremental Amount") and schedule such matter for hearing on at least 14 days' notice; or (ii) forego payment of the Incremental Amount until the next interim or final fee application hearing, at which time the Court will consider and dispose of the Objection if requested by the affected Retained Professional. Failure by a Notice Party to object to a Monthly Fee Statement shall not constitute a waiver of any kind nor prejudice that Notice Party's right to object to any Interim Fee Application (as defined below) subsequently filed by a Retained Professional.

- (h) Each Retained Professional may submit its first Monthly Fee Statement on or before August 31, 2020, and such Monthly Fee Statement shall be for the period from June 18, 2020 through and including July 31, 2020.
- (i) Commencing with the four-month period ending September 30, 2020, and at four-month intervals thereafter (each, an "Interim Fee Period"), each of the Retained Professionals will file with the Court and serve on the Notice Parties an application pursuant to sections 330 and 331 of the Bankruptcy Code (an "Interim Fee Application") for interim Court approval and allowance of the compensation and reimbursement of expenses sought by the Retained Professional in its Monthly Fee Statements for the applicable Interim Fee Period, including: (i) any revisions to the fee detail previously submitted with a Monthly Fee Statement; (ii) any consensual resolution of an Objection to one or more Monthly Fee Statements; and (iii) any difference between any amounts owed to the Retained Professional and the Authorized Payments made with respect to the Interim Fee Period. Retained Professionals also will file a notice of opportunity for hearing in accordance with Local Bankruptcy Rule 9013-1(e)(7), which shall be served on the Notice Parties and all parties that have filed a notice of appearance with the Clerk of this Court and requested such notice. To the extent practicable, all Interim Fee Applications will be noticed together to be heard on the same hearing date and with the same objection deadline.
- (j) Interim Fee Applications must be filed on or before the 40th day after the end of the Interim Fee Period for which the application seeks allowance of fees and reimbursement of expenses. An Interim Fee Application must include a basic summary of the Monthly Fee Statements that are the subject of the request and any other information requested by the Court or required by the Bankruptcy Rules, the Local Bankruptcy Rules, and the Compensation Guidelines. A Retained Professional filing an Interim Fee Application shall comply with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and applicable law.
- (k) The first Interim Fee Application must be filed on or before November 9, 2020 for the Interim Fee Period from June 18, 2020 through September 30, 2020. Any objections to an Interim Fee Application (an "Additional Objection") shall be filed with the Court and served upon the affected Retained Professional and the Notice Parties so as to be received on or before the 14th day (or the next business day if such day is not a business day) following the filing and service of the Interim Fee Application, which service

may be via e-mail, hand delivery, overnight courier, or first class mail. If no Objections are pending and no Additional Objections are timely filed, the Court may grant an Interim Fee Application without a hearing. Upon allowance by the Court of a Retained Professional's Interim Fee Application, the Debtors shall be authorized to promptly pay such Retained Professional all requested fees and expenses not previously paid (including any Incremental Amount).

- (l) The pendency of an Objection or Additional Objection or the entry of a Court order holding that the prior payment of compensation or the reimbursement of expenses was improper as to a particular Monthly Fee Statement will not disqualify a Retained Professional from the future payment of compensation or reimbursement of expenses as set forth above, unless the Court orders otherwise.
- (m) There will be no penalties for failing to (i) submit a Monthly Fee Statement or (ii) file an Interim Fee Application in a timely manner; provided, however, that if any Interim Fee Application covers more than a four-month period, the Bankruptcy Administrator shall have an additional 14 days beyond the period set forth in paragraph 10(k) above to file an Additional Objection.
- (n) Neither (i) the payment of or the failure to pay, in whole or in part, interim compensation and reimbursement of expenses under the Compensation Procedures nor (ii) the filing of, or failure to file, an Objection to any Monthly Fee Statement or an Additional Objection to any Interim Fee Application will bind any party in interest or the Court with respect to the final applications for allowance of compensation and reimbursement of expenses of Retained Professionals.

10. The Debtors request that each member of the Committee be permitted to submit statements of expenses (excluding third-party counsel expenses of individual Committee members) and supporting vouchers to the Committee's counsel, which counsel will collect and submit the Committee members' requests for reimbursement in accordance with the Compensation Procedures. The Debtors also request that the Future Claimants' Representative be permitted to submit statements of expenses and supporting vouchers to his or her counsel, which counsel will submit for reimbursement in accordance with the Compensation Procedures.

Argument

11. Pursuant to section 331 of the Bankruptcy Code, all professionals are entitled to submit applications for interim compensation and reimbursement of expenses every 120 days, or more often if the court permits.² Bankruptcy Rule 2016(a) provides that a professional seeking interim compensation and reimbursement of expenses must file an application setting forth, among other things, "a detailed statement of (1) the services rendered, time expended and expenses incurred, and (2) the amounts requested." Fed. R. Bankr. P. 2016(a). Finally, section 105(a) of the Bankruptcy Code authorizes the Court to issue any order "that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]," thereby codifying the bankruptcy court's inherent equitable powers. 11 U.S.C. § 105(a).

12. Courts regularly have entered orders approving professional compensation procedures that provide for interim compensation and expense reimbursement on a monthly basis. Establishing procedures for monthly compensation ensures that professionals are not forced to fund a reorganization case. See In re Int'l Horizons, Inc., 10 B.R. 895, 897 (Bankr. N.D. Ga. 1981) (providing for "reasonable interim compensation" for professionals of the debtor to avoid requiring professionals to "fund [the] reorganization proceeding"). Appropriate factors to consider in deciding whether to establish procedures for monthly interim compensation include "the size of [the] reorganization cases, the complexity of the issues involved, and the

² Section 331 of the Bankruptcy Code provides, in relevant part, as follows:

A trustee, an examiner, a debtor's attorney, or any professional person employed under section 327 or 1103 of this title may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered before the date of such an application or reimbursement for expenses incurred before such date as is provided under section 330 of this title.

11 U.S.C. § 331.

time required on the part of the [professionals of] the debtors in providing services necessary to achieve a successful reorganization of the debtors." Id., at 897-98.

13. The Debtors submit that the Compensation Procedures sought herein are appropriate considering the above factors. These Chapter 11 Cases are large and complex cases that require a significant investment of time and resources by the Retained Professionals. Establishing an orderly, regular process for the allowance and payment of compensation and reimbursement of expenses for Retained Professionals will prevent such professionals from bearing the unjust burden of funding these Chapter 11 Cases, and will enable the Debtors to closely monitor the costs of administration and establish consistent procedures to pay such costs. Further, the Compensation Procedures will streamline the professional compensation process and enable the Court and all other parties to monitor more effectively the professional fees incurred in these Chapter 11 Cases.

14. The proposed Compensation Procedures are substantially similar to those approved in other large chapter 11 cases in this District. See, e.g., In re DBMP LLC, No. 20-30080 (JCW) (Bankr. W.D.N.C. Feb. 13, 2020); In re Bestwall LLC, No. 17-31795 (LTB) (Bankr. W.D.N.C. Dec. 7, 2017); In re Kaiser Gypsum Co., Inc., No. 16-31602 (JCW) (Bankr. W.D.N.C. Nov. 7, 2016); In re Garlock Sealing Techs., LLC, No. 10-31607 (GRH) (Bankr. W.D.N.C. July 15, 2010); In re Hendricks Furniture Grp., LLC, No. 09-50790 (JCW) (Bankr. W.D.N.C. July 16, 2009).

Notice

15. Notice of this Motion has been provided to: (a) the Bankruptcy Administrator; (b) the parties on the list of 20 law firms with significant representations of asbestos claimants filed with the Debtors' chapter 11 petitions; and (c) counsel to the Debtors' non-debtor affiliates, Trane Technologies Company LLC and Trane U.S. Inc. The Debtors

submit that, in light of the nature of the relief requested, no other or further notice need be provided.

No Prior Request

16. No prior request for the relief sought in this Motion has been made to this or any other Court in connection with these Chapter 11 Cases.

WHEREFORE, the Debtors respectfully request that the Court: (a) enter an order, substantially in the form attached hereto as Exhibit A, granting the relief requested herein; and (b) grant such other and further relief to the Debtors as the Court may deem just and proper.

Dated: June 18, 2020
Charlotte, North Carolina

Respectfully submitted,

/s/ John R. Miller, Jr.

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PROPOSED ATTORNEYS FOR DEBTORS
AND DEBTORS IN POSSESSION

Exhibit A

Proposed Order

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re

ALDRICH PUMP LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-____ (___)

(Jointly Administered)

**ORDER ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION
AND REIMBURSEMENT OF EXPENSES OF RETAINED PROFESSIONALS**

This matter coming before the Court on the *Motion of the Debtors for an Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Retained Professionals* (the "Motion"),² filed by the debtors and debtors in possession in the above-captioned cases (together, the "Debtors"); the Court having reviewed the Motion and having considered the statements of counsel with respect to the Motion at a hearing before the Court (the "Hearing"); the Court finding that (a) the Court has jurisdiction over this matter

¹ The Debtors are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Aldrich Pump LLC (2290) and Murray Boiler LLC (0679). The Debtors' address is 800-E Beaty Street, Davidson, North Carolina 28036.

² Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.

pursuant to 28 U.S.C. §§ 157 and 1334, (b) venue is proper in this district pursuant to 28 U.S.C. § 1409, (c) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (d) notice of the Motion and the Hearing was sufficient under the circumstances, and (e) the Compensation Procedures set forth below are reasonable and appropriate for these Chapter 11 Cases; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. Except as otherwise provided in an order of the Court authorizing the retention of a particular professional, the professionals specifically retained pursuant to an order of the Court in these Chapter 11 Cases (collectively, the "Retained Professionals") may seek interim payment of compensation and reimbursement of expenses in accordance with the following procedures (collectively, the "Compensation Procedures"):
 - (a) Each Retained Professional seeking monthly compensation must submit a monthly fee statement (a "Monthly Fee Statement"), which submission may be via hand delivery, overnight courier, first class mail, or e-mail, so as to be received no later than 30 days after the end of the month for which the fees are sought, to the following parties (collectively, the "Notice Parties"):
 - (i) the Debtors, Aldrich Pump LLC and Murray Boiler LLC, 800-E Beaty Street, Davidson, North Carolina 28036 (Attn: Allan Tananbaum, Esq., atananbaum@tranetechnologies.com);
 - (ii) the Debtors' counsel, (A) Jones Day, 77 West Wacker, Chicago, Illinois 60601 (Attn: Brad B. Erens, Esq., bberens@jonesday.com, Mark A. Cody, Esq., macody@jonesday.com, and Caitlin K. Cahow, Esq., ccahow@jonesday.com); and (B) Rayburn Cooper & Durham, P.A., 227 West Trade Street, Suite 1200, Charlotte, North Carolina 28202 (Attn: C. Richard Rayburn, Jr., Esq., rrayburn@rcdlaw.net and John R. Miller, Jr., Esq., jmiller@rcdlaw.net);

- (iii) the United States Bankruptcy Administrator for the Western District of North Carolina (the "Bankruptcy Administrator"), 402 West Trade Street, Suite 200, Charlotte, North Carolina 28202 (Attn: Shelley K. Abel, feeapplications@ncwba.uscourts.gov);
 - (iv) counsel to the Debtors' non-debtor affiliates, Trane Technologies Company LLC and Trane U.S. Inc., (A) McCarter & English, LLP, 1600 Market St., Suite 3900, Philadelphia, Pennsylvania 19103 (Attn: Philip D. Amoa, Esq., pamoam@mccarter.com); (B) McCarter & English, LLP, Four Gateway Center, 100 Mulberry St., Newark, New Jersey 07102 (Attn: Anthony Bartell, Esq., abartell@mccarter.com and Phillip S. Pavlick, Esq., ppavlick@mccarter.com); (C) McCarter & English, LLP, Worldwide Plaza, 825 Eighth Ave, 31st Floor, New York, New York 10019 (Attn: Gregory J. Mascitti, Esq., gmascitti@mccarter.com); and (D) Burt & Cordes, PLLC, 122 Cherokee Road, Suite 1, Charlotte, North Carolina 28207 (Attn: Stacy C. Cordes, Esq., scordes@burtcordeslaw.com);
 - (v) counsel to any Committee and Future Claimants' Representative appointed in these Chapter 11 Cases; and
 - (vi) any other parties that the Court may designate.
- (b) Unless otherwise provided in the order authorizing the Retained Professional's retention, each Retained Professional's Monthly Fee Statement, in accordance with Local Bankruptcy Rule 2016-1, shall include (i) a monthly invoice with fee and expense detail that describes the fees and expenses incurred by such Retained Professional in accordance with the *Guidelines for Compensation and Expense Reimbursement of Professionals* promulgated by the Court (the "Compensation Guidelines") and (ii) any additional information required by the Compensation Guidelines.
- (c) Time spent traveling in connection with these Chapter 11 Cases without actively working on these Chapter 11 Cases shall be billed at 50% of the professional's normal hourly rate, and shall not be billed to the Debtors to the extent the professional is working on other matters while traveling.
- (d) Any Retained Professional who fails to submit a Monthly Fee Statement for a particular month or months may subsequently submit a consolidated Monthly Fee Statement for multiple months

provided that separate fee and expense information for each applicable month is provided in the consolidated statement.

- (e) All Monthly Fee Statements shall comply with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the Compensation Guidelines, and applicable law.
- (f) Each Notice Party will have 14 days after service of a Monthly Fee Statement to object to such statement (the "Objection Deadline"). Upon the expiration of the Objection Deadline, the Debtors will be authorized to pay each Retained Professional an amount (the "Authorized Payment") equal to the lesser of (i) 90% of the fees and 100% of the expenses requested in the Monthly Fee Statement (the "Maximum Payment") and (ii) the aggregate amount of fees and expenses not subject to an unresolved objection pursuant to paragraph 2(g) below. On notice to the Debtors, each Retained Professional is authorized to use any remaining amount of its prepetition retainer to satisfy some or all of an Authorized Payment; provided that each professional shall utilize any remaining retainer by the time it files its first Interim Fee Application (as defined below) or as soon thereafter as is practicable.
- (g) If any Notice Party objects to a Retained Professional's Monthly Fee Statement, it must serve on the affected Retained Professional and each of the other Notice Parties a written objection (the "Objection") so that it is received on or before the Objection Deadline. Thereafter, the objecting party and the affected Retained Professional may attempt to resolve the Objection on a consensual basis. If the parties are unable to reach a resolution of the Objection within 14 days after service of the Objection, or such later date as may be agreed upon by the objecting Notice Party and the affected Retained Professional, the affected Retained Professional may either: (i) file a response to the Objection with the Court, together with a request for payment of the difference, if any, between the Maximum Payment and the Authorized Payment made to the affected Retained Professional (the "Incremental Amount") and schedule such matter for hearing on at least 14 days' notice; or (ii) forego payment of the Incremental Amount until the next interim or final fee application hearing, at which time the Court will consider and dispose of the Objection if requested by the affected Retained Professional. Failure by a Notice Party to object to a Monthly Fee Statement shall not constitute a waiver of any kind nor prejudice that Notice Party's right to object to any Interim Fee Application (as defined below) subsequently filed by a Retained Professional.

- (h) Each Retained Professional may submit its first Monthly Fee Statement on or before August 31, 2020, and such Monthly Fee Statement shall be for the period from June 18, 2020 through and including July 31, 2020.
- (i) Commencing with the four-month period ending September 30, 2020, and at four-month intervals thereafter (each, an "Interim Fee Period"), each of the Retained Professionals will file with the Court and serve on the Notice Parties an application pursuant to sections 330 and 331 of the Bankruptcy Code (an "Interim Fee Application") for interim Court approval and allowance of the compensation and reimbursement of expenses sought by the Retained Professional in its Monthly Fee Statements for the applicable Interim Fee Period, including: (i) any revisions to the fee detail previously submitted with a Monthly Fee Statement; (ii) any consensual resolution of an Objection to one or more Monthly Fee Statements; and (iii) any difference between any amounts owed to the Retained Professional and the Authorized Payments made with respect to the Interim Fee Period. Retained Professionals also will file a notice of opportunity for hearing in accordance with Local Bankruptcy Rule 9013-1(e)(7), which shall be served on the Notice Parties and all parties that have filed a notice of appearance with the Clerk of this Court and requested such notice. To the extent practicable, all Interim Fee Applications will be noticed together to be heard on the same hearing date and with the same objection deadline.
- (j) Interim Fee Applications must be filed on or before the 40th day after the end of the Interim Fee Period for which the application seeks allowance of fees and reimbursement of expenses. An Interim Fee Application must include a basic summary of the Monthly Fee Statements that are the subject of the request and any other information requested by the Court or required by the Bankruptcy Rules, the Local Bankruptcy Rules, and the Compensation Guidelines. A Retained Professional filing an Interim Fee Application shall comply with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and applicable law.
- (k) The first Interim Fee Application must be filed on or before November 9, 2020 for the Interim Fee Period from June 18, 2020 through September 30, 2020. Any objections to an Interim Fee Application (an "Additional Objection") shall be filed with the Court and served upon the affected Retained Professional and the Notice Parties so as to be received on or before the 14th day (or the next business day if such day is not a business day) following the filing and service of the Interim Fee Application, which service

may be via e-mail, hand delivery, overnight courier, or first class mail. If no Objections are pending and no Additional Objections are timely filed, the Court may grant an Interim Fee Application without a hearing. Upon allowance by the Court of a Retained Professional's Interim Fee Application, the Debtors shall be authorized to promptly pay such Retained Professional all requested fees and expenses not previously paid (including any Incremental Amount).

- (l) The pendency of an Objection or Additional Objection or the entry of a Court order holding that the prior payment of compensation or the reimbursement of expenses was improper as to a particular Monthly Fee Statement will not disqualify a Retained Professional from the future payment of compensation or reimbursement of expenses as set forth above, unless the Court orders otherwise.
- (m) There will be no penalties for failing to (i) submit a Monthly Fee Statement or (ii) file an Interim Fee Application in a timely manner; provided, however, that if any Interim Fee Application covers more than a four-month period, the Bankruptcy Administrator shall have an additional 14 days beyond the period set forth in paragraph 2(k) above to file an Additional Objection.
- (n) Neither (i) the payment of or the failure to pay, in whole or in part, interim compensation and reimbursement of expenses under the Compensation Procedures nor (ii) the filing of, or failure to file, an Objection to any Monthly Fee Statement or an Additional Objection to any Interim Fee Application will bind any party in interest or the Court with respect to the final applications for allowance of compensation and reimbursement of expenses of Retained Professionals.

3. Each member of a Committee shall be permitted to submit statements of expenses (excluding third-party counsel expenses of individual Committee members) and supporting vouchers to the Committee's counsel, which counsel will collect and submit the Committee members' requests for reimbursement in accordance with the Compensation Procedures. The Future Claimants' Representative also shall be permitted to submit statements of expenses and supporting vouchers to his or her counsel, which counsel will submit for reimbursement in accordance with the Compensation Procedures.

4. Notice given in accordance with the Compensation Procedures is deemed sufficient and adequate and in full compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules.

5. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

6. This Court shall retain exclusive jurisdiction over any and all matters arising from or related to the implementation, enforcement, or interpretation of this Order.

This Order has been signed electronically.
The Judge's signature and Court's seal appear
at the top of the Order.

United States Bankruptcy Court