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7

8 **UNITED STATES BANKRUPTCY COURT**  
9 **SOUTHERN DISTRICT OF CALIFORNIA**

10 In re:  
11 **BORREGO COMMUNITY HEALTH**  
**FOUNDATION,**  
12 Debtor and Debtor in Possession.

Case No.: 22-02384-LT11  
Chapter 11

**SUMMARY COVER SHEET FOR  
THE THIRD INTERIM AND FINAL  
FEE APPLICATION OF FTI  
CONSULTING, INC. AS FINANCIAL  
ADVISOR FOR THE OFFICIAL  
COMMITTEE OF UNSECURED  
CREDITORS, FOR COMPENSATION  
AND REIMBURSEMENT OF  
EXPENSES FOR THE PERIOD FROM  
OCTOBER 7, 2022 THROUGH AND  
INCLUDING FEBRUARY 14, 2024**

**Judge:** Hon. Laura S. Taylor  
**Date:** June 12, 2024  
**Time:** 10:00 a.m. PST  
**Place:** U.S. Bankruptcy Court  
325 West F Street  
Chamber 3, Courtroom 129  
San Diego, CA 92101

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ATTORNEYS AT LAW  
LOS ANGELES, CALIFORNIA



1	Name of Applicant:	FTI Consulting, Inc.
2	Authorized to Provide Professional Services to:	Official Committee of Unsecured Creditors of Borrego Health Community Foundation
3	Date of Retention:	October 7, 2022 by Order entered November 29, 2022
4	Time period covered by this Application:	October 7, 2022 - February 14, 2024
5	Total amounts awarded in prior Applications:	\$885,030.41 <sup>1</sup>
6	Total amount of fees requested in this Application:	\$1,101,100.00
7	Total amount of reimbursable expenses sought in this Application:	\$1,848.34

9 This is a:       monthly       interim       final application

10 This is FTI Consulting’s final fee application. This fee application includes an additional \$25,000.00  
11 incurred and expected to be incurred in connection with the preparation of the Application.

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1 Fees and expenses granted by court order for the first and second interim fee applications.

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PRIOR MONTHLY APPLICATIONS FILED

Date Filed	Dkt #	Period Covered	Requested		Amount Paid	Total Outstanding
			Fees	Expenses		
1/3/2023	349	10/7/2022 - 10/31/2022	\$151,725.00	\$ -	\$151,725.00	-
1/3/2023	351	11/1/2022 - 11/30/2022	142,875.00	-	142,875.00	-
1/27/2023	408	12/1/2022 - 12/31/2022	102,225.00	-	102,225.00	-
2/23/2023	500	1/1/2023 - 1/31/2023	131,400.00	-	131,400.00	-
4/10/2023	611	2/1/2023 - 2/28/2023	117,600.00	1,605.41	119,205.41	-
4/26/2023	657	3/1/2023 - 3/31/2023	55,425.00	-	55,425.00	-
6/6/2023	738	4/1/2023 - 4/30/2023	24,675.00	-	24,675.00	-
7/6/2023	779	5/1/2023 - 5/31/2023	52,725.00	-	52,725.00	-
8/9/2023	833	6/1/2023 - 6/30/2023	60,525.00	-	60,525.00	-
9/11/2023	897	7/1/2023 - 7/31/2023	44,250.00	-	44,250.00	-
10/16/2023	1025	8/1/2023 - 8/31/2023	23,475.00	-	18,780.00	4,695.00
10/16/2023	1026	9/1/2023 - 9/30/2023	35,700.00	-	28,560.00	7,140.00
12/5/2023	1174	10/1/2023 - 10/31/2023	36,375.00	-	29,100.00	7,275.00
1/8/2024	1236	11/1/2023 - 11/30/2023	17,550.00	-	-	17,550.00
1/22/2024	1268	12/1/2023 - 12/31/2023	29,925.00	-	-	29,925.00
3/5/2024	1321	1/1/2024 - 1/31/2024	33,900.00	242.93	N/A	34,142.93
Included herein	N/A	2/1/2024 - 2/14/2024	15,750.00	-	N/A	15,750.00
Included herein	N/A	Final Fee App Preparation	25,000.00 <sup>2</sup>	-	N/A	25,000.00
<b>Total</b>			<b>\$1,101,100.00</b>	<b>\$1,848.34</b>	<b>\$961,470.41</b>	<b>\$141,477.93</b>

<sup>2</sup> This Final Fee Application period only includes fees through February 14, 2024 (the "Effective Date"). FTI hereby requests an additional \$25,000.00 for fees incurred and expected to be incurred after the Effective Date in connection with the preparation of this final Application.

**SUMMARY OF HOURS BY PROFESSIONAL**  
**(February 1, 2024 – February 14, 2024)**

<b>Professional</b>	<b>Position</b>	<b>Billing Rate</b>	<b>Total Hours</b>	<b>Total Fees</b>
Zucker, Clifford	Senior Managing Director	\$ 750	2.9	\$ 2,175.00
Ganti, Narendra	Managing Director	750	5.6	4,200.00
Gray, Michael	Senior Consultant	750	12.5	9,375.00
<b>TOTAL</b>			<b>21.0</b>	<b>\$15,750.00</b>

**SUMMARY OF HOURS BY TASK**  
**(February 1, 2024 – February 14, 2024)**

<b>Task Code</b>	<b>Category</b>	<b>Total Hours</b>	<b>Total Fees</b>
14	Analysis of Claims/Liabilities Subject to Compromise	20.2	\$ 15,150.00
19	Case Management	0.5	375.00
24	Preparation of Fee Application	0.3	225.00
<b>TOTAL</b>		<b>21.0</b>	<b>\$15,750.00</b>

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**FINAL SUMMARY OF TOTAL FEES AND HOURS  
BY PROFESSIONALS FOR THE PERIOD  
OCTOBER 7, 2022 THROUGH FEBRUARY 14, 2024**

<b>Professional</b>	<b>Position</b>	<b>Rate</b>	<b>Hours</b>	<b>Total Fees</b>
Bilbao, Marc	Senior Managing Director	\$ 750	47.9	\$ 35,925.00
Nelson, Cynthia	Senior Managing Director	750	75.8	56,850.00
Zucker, Clifford	Senior Managing Director	750	229.1	171,825.00
Ganti, Narendra	Managing Director	750	141.9	106,425.00
Thalassinios, Angelo	Managing Director	750	55.2	41,400.00
Adeyanju, Michael	Senior Director	750	59.0	44,250.00
Delaney, Meaghan	Director	750	22.0	16,500.00
Gray, Michael	Senior Consultant	750	418.1	313,575.00
Labkoff, Nicole	Senior Consultant	750	35.2	26,400.00
Cho, Clare	Consultant	750	283.7	212,775.00
Hardey, Samantha	Consultant	750	56.9	42,675.00
Larson, Kristian	Consultant	750	0.5	375.00
Hellmund-Mora, Marili	Manager	750	15.5	11,625.00
<b>TOTAL</b>			<b>1,440.8</b>	<b>\$ 1,080,600.00</b>
Less: 50% discount for non-working travel time				(4,500.00)
Plus: Estimate for Final Fee Application Preparation				25,000.00
<b>GRAND TOTAL</b>			<b>1,440.8</b>	<b>\$ 1,101,100.00</b>

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**FINAL STATEMENT OF FEES BY TASK CODE  
FOR THE PERIOD  
OCTOBER 7, 2022 THROUGH FEBRUARY 14, 2024**

<b>Task</b>	<b>Category</b>	<b>Hours</b>	<b>Total Fees</b>
1	Current Operating Results & Events	36.2	\$ 27,150.00
2	Cash & Liquidity Analysis	144.3	108,225.00
4	Trade Vendor Issues	22.7	17,025.00
5	Real Estate Issues	2.4	1,800.00
6	Asset Sales	232.5	174,375.00
7	Analysis of Business Plan	0.4	300.00
9	Analysis of Employee Compensation Programs	39.7	29,775.00
10	Analysis of Tax Issues	4.1	3,075.00
11	Prepare for and Attendance at Court Hearings	11.6	8,700.00
12	Analysis of SOFAs & SOALs	22.3	16,725.00
13	Analysis of Other Miscellaneous Motions	4.1	3,075.00
14	Analysis of Claims/Liabilities Subject to Compromise	362.5	271,875.00
16	POR & DS - Analysis, Negotiation and Formulation	54.6	40,950.00
18	Potential Avoidance Actions & Litigation Matters	44.4	33,300.00
19	Case Management	12.5	9,375.00
20	General Meeting with Debtor & Debtors' Professionals	11.0	8,250.00
21	General Meetings with Committee & Committee Counsel	58.1	43,575.00
23	Firm Retention	7.3	5,475.00
24	Preparation of Fee Application	123.7	92,775.00
25	Travel Time	12.0	9,000.00
26	Strategic Communications	234.4	175,800.00
<b>TOTAL</b>		<b>1,440.8</b>	<b>\$ 1,080,600.00</b>
Less: 50% discount for non-working travel time			(4,500.00)
Plus: Estimate for Fee Application Preparation			25,000.00
<b>GRAND TOTAL</b>		<b>1,440.8</b>	<b>\$ 1,101,100.00</b>

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**FINAL EXPENSE SUMMARY  
FOR THE PERIOD  
OCTOBER 7, 2022 THROUGH FEBRUARY 14, 2024**

<b>Expense Type</b>	<b>Amount</b>
Airfare	\$ 727.80
Lodging	691.91
Meals	7.00
Transportation	421.63
<b>Total</b>	<b>\$ 1,848.34</b>

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**SUMMARY OF TOTAL FEES AND HOURS  
BY PROFESSIONALS FOR THE THIRD INTERIM PERIOD  
AUGUST 1, 2023 THROUGH FEBRUARY 14, 2024**

<b>Professional</b>	<b>Position</b>	<b>Rate</b>	<b>Hours</b>	<b>Total Fees</b>
Nelson, Cynthia	Senior Managing Director	\$ 750	8.1	\$ 6,075.00
Zucker, Clifford	Senior Managing Director	750	47.6	35,700.00
Ganti, Narendra	Managing Director	750	34.6	25,950.00
Adeyanju, Michael	Senior Director	750	0.8	600.00
Gray, Michael	Senior Consultant	750	143.3	107,475.00
Cho, Clare	Consultant	750	19.7	14,775.00
Hardey, Samantha	Consultant	750	1.2	900.00
Hellmund-Mora, Marili	Manager	750	1.6	1,200.00
<b>TOTAL</b>			<b>256.9</b>	<b>\$ 192,675.00</b>

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**FINAL STATEMENT OF FEES BY TASK CODE  
FOR THE THIRD INTERIM PERIOD  
AUGUST 1, 2023 THROUGH FEBRUARY 14, 2024**

<b>Task</b>	<b>Category</b>	<b>Hours</b>	<b>Total Fees</b>
1	Current Operating Results & Events	9.5	\$ 7,125.00
2	Cash & Liquidity Analysis	21.9	16,425.00
6	Asset Sales	1.0	750.00
11	Prepare for and Attendance at Court Hearings	0.6	450.00
14	Analysis of Claims/Liabilities Subject to Compromise	151.8	113,850.00
16	POR & DS - Analysis, Negotiation and Formulation	34.6	25,950.00
19	Case Management	0.5	375.00
21	General Meetings with Committee & Committee Counsel	0.3	225.00
24	Preparation of Fee Application	34.7	26,025.00
26	Strategic Communications	2.0	1,500.00
<b>TOTAL</b>		<b>256.9</b>	<b>\$ 192,675.00</b>

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 LOS ANGELES, CALIFORNIA

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**FINAL EXPENSE SUMMARY  
FOR THE THIRD INTERIM PERIOD  
AUGUST 1, 2023 THROUGH FEBRUARY 14, 2024**

<b>Expense Type</b>	<b>Amount</b>
Lodging	\$ 121.51
Meals	7.00
Transportation	114.42
<b>Total</b>	<b>\$ 242.93</b>

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6  
7 Counsel to the Official Committee of Unsecured Creditors

8 In re:  
9 BORREGO COMMUNITY HEALTH  
FOUNDATION,  
10 Debtor and Debtor in Possession.

Case No.: 22-02384-LT11

Chapter 11

**THIRD INTERIM AND FINAL FEE  
APPLICATION OF FTI  
CONSULTING, INC. FOR APPROVAL  
OF COMPENSATION AND  
REIMBURSEMENT OF EXPENSES;  
DECLARATION OF CYNTHIA  
NELSON IN SUPPORT THEREOF**

**Judge:** Hon. Laura S. Taylor

**Date:** June 12, 2024

**Time:** 10:00 a.m. PST

**Place:** U.S. Bankruptcy Court

325 West F Street

Chamber 3, Courtroom 129

San Diego, CA 92101

**[Application Period: 10/7/22 – 2/14/24]  
[Third Interim Period: 8/1/23 – 2/14/24]**

21 **TO THE HONORABLE LAURA S. TAYLOR, UNITED STATES**  
22 **BANKRUPTCY JUDGE, THE DEBTOR AND ITS COUNSEL, THE**  
23 **OFFICIAL COMMITTEE OF UNSECURED CREDITORS AND ITS**  
24 **COUNSEL, PARTIES REQUESTING SPECIAL NOTICE, AND THE OFFICE**  
25 **OF THE UNITED STATES TRUSTEE:**

PACHULSKI STANG ZIEHL & JONES LLP  
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LOS ANGELES, CALIFORNIA

1 Pursuant to sections 330 and 331 of title 11 of the United States Code (the  
2 “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the  
3 “Bankruptcy Rules”), and the Court’s *Order on Debtor’s Notice of Motion and*  
4 *Motion for Entry of An Order Establishing Procedures for Monthly Payment of Fees*  
5 *and Expense Reimbursement*, entered on December 5, 2022 [Docket No. 263] (the  
6 “Fee Procedures Order”), FTI Consulting, Inc. (the “Firm” or “Applicant”), financial  
7 advisor to the Official Committee of Unsecured Creditors (the “Committee”),  
8 appointed in the chapter 11 case of Borrego Community Health Foundation (the  
9 “Debtor”), hereby files this final application (this “Application”) for entry of an order  
10 allowing compensation on a final basis in the amount of \$1,101,100.00 for  
11 professional services rendered to the Committee during the period October 7, 2022  
12 through February 14, 2024 (the “Application Period”) and \$1,848.34 for  
13 reimbursement of actual and necessary expenses incurred during the Application  
14 Period, for a total of \$1,102,948.34. Of the total amount sought during the  
15 Application Period, \$192,675.00 was incurred in fees during the period August 1,  
16 2023 – February 14, 2024 (the “Third Interim Period”) and \$242.93 was incurred for  
17 expenses during the Third Interim Period, for a total of \$192,917.93 during the Third  
18 Interim Period. Fees and expenses incurred during the Third Interim Period have not  
19 been the subject of a prior interim fee application. In addition, FTI estimates incurring  
20 an additional \$25,000.00 in fees and expenses related to the preparation of this  
21 Application. In support of this Application, FTI submits the declaration of Cynthia  
22 Nelson, a Senior Managing Director of FTI (the “Nelson Declaration”), which is  
23 attached hereto as **Exhibit A**. In further support of the Application, FTI respectfully  
24 represents as follows:

25 **I.**

26 **BACKGROUND**

27 1. On September 12, 2022, the Debtor filed a voluntary petition for relief  
28 under chapter 11 of the Bankruptcy Code, commencing this case. The Debtor

1 continues in possession of its property and continues to operate and manage its  
2 business as a debtor in possession pursuant to sections 1107(a) and 1108 of the  
3 Bankruptcy Code. No trustee or examiner has been appointed in the Debtor's chapter  
4 11 case.

5 2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157  
6 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

7 3. The retention of FTI, as financial advisor for the Committee, was  
8 approved effective as of October 7, 2022 by this Court's *Order on Application*  
9 *Authorizing the Retention and Employment of FTI Consulting, Inc., as Financial*  
10 *Advisor to the Official Committee of Unsecured Creditors Effective as of October 7,*  
11 *2022*, signed on or about November 29, 2022) [Docket No. 242].

12 4. Local Bankruptcy Rule 2016 sets forth certain requirements that a  
13 professional must satisfy in order to obtain an award for fees and costs. Additional  
14 standards to be employed in the review of fee applications are set forth in the *United*  
15 *States Trustee's Guidelines for Reviewing Applications for Compensation and*  
16 *Reimbursement of Expenses*. Finally, cases interpreting sections 330 and 331 of the  
17 Bankruptcy Code have required that courts consider the twelve (12) factors that the  
18 Ninth Circuit Court of Appeals articulated in *Kerr v. Screen Extras Guild*, 526 F.2d  
19 67, 70 (9th Cir. 1975), *cert. denied*, 425 U.S. 951, 96 S.Ct. 726 (1976). The Ninth  
20 Circuit's primary method used to determine the reasonableness of fees is to calculate  
21 the "lodestar." *In re Charles Russell Buckridge, Jr.*, 367 B.R. 191, 201 (C.D. Cal.  
22 2007). The lodestar is ascertained by multiplying the number of hours reasonably  
23 expended by a reasonable hourly rate. *Law Offices of David A. Boone v. Derham-*  
24 *Burk (In re Eliapo)*, 468 F.3d 592, 598 (9<sup>th</sup> Cir. 2006). As set forth more fully herein,  
25 this Application complies with all statutory guidelines and Court-imposed  
26 requirements.

II.

PREVIOUSLY FILED INTERIM AND MONTHLY FEE APPLICATIONS

5. On April 4, 2023, FTI filed its *First Interim Application For Approval of Compensation and Reimbursement of Expenses* (the “First Interim Fee Application”) [Docket No. 600], seeking interim approval of fees in the amount of \$528,225.00. FTI’s First Interim Fee Application was approved by order entered May 22, 2023 [Docket No. 729]. FTI has received a total of \$528,225.00 in fees on account of its First Interim Fee Application.

6. On September 13, 2023, FTI filed its *Second Interim Application For Approval of Compensation and Reimbursement of Expenses* (the “Second Interim Fee Application”) [Docket No. 905], seeking interim approval of fees in the amount of \$355,200.00 and interim approval of expenses in the amount of \$1,605.41, for a total of \$356,805.41. FTI’s Second Interim Fee Application was approved by order entered October 23, 2023 [Docket No. 1035]. FTI has received a total of \$355,200.00 in fees and \$1,605.41 in expenses on account of its Second Interim Fee Application.

7. For the Third Interim Period, FTI has filed monthly fee applications (the “Monthly Fee Applications”) for the period August 1, 2023 through January 31, 2024, which were filed and served pursuant to the *Order on Debtor’s Motion Establishing Procedures for Monthly Payment of Fees and Expenses* [Docket No. 263]. The Monthly Fee Applications contain detailed daily time logs describing the actual and necessary services provided by FTI during the period covered by such applications, as well as other detailed information required to be included in the Monthly Fee Applications<sup>3</sup>. The time logs also include a description of the actual and necessary expenses incurred by FTI on behalf of the Committee. FTI has received a total of \$76,440.00 on account of its Monthly Fee Applications for the months of August 2023 through October 2023, which accounts for 80% of the fees sought and 100% of the

<sup>3</sup> The docket numbers for the filed Monthly Fee Applications for the period August 1, 2023 through January 31, 2024 are: 1025, 1026, 1174, 1236, 1268, and 1321.

1 expenses incurred. FTI has not received payment on account of its Monthly Fee  
2 Statements for November 2023 through January 2024, nor has it received payment on  
3 account of its invoice for the period February 1-14, 2024. Accordingly, FTI seeks  
4 payment in the amount of \$19,110.00, which represents 20% of the fees due on  
5 account of its Monthly Fee Applications for the months of August 2023 through  
6 October 2023, plus \$81,617.93, representing 100% of fees and expenses incurred on  
7 account of its Monthly Fee Applications for November 2023 through January 2024,  
8 plus \$15,750.00, representing 100% of fees and expenses incurred on account of its  
9 invoice for the period February 1-14, 2024. In addition, FTI estimates incurring an  
10 additional \$25,000.00 in fees and expenses related to the preparation of this  
11 Application. FTI therefore seeks outstanding payment due in the total amount of  
12 \$141,477.93.

13 8. Attached hereto as **Exhibit B** is the detailed daily time log for the period  
14 February 1-14, 2024, which has not been the subject of a prior Monthly Fee  
15 Application, but which fees and expenses are incorporated into the Third Interim  
16 Period.

### 17 III.

#### 18 FEES EARNED DURING THE FINAL FEE PERIOD

##### 19 I. Customary Billing Disclosures

20 9. FTI's hourly rates are set at a level designed to compensate FTI fairly for  
21 the work of its professionals and paraprofessionals and to cover fixed and routine  
22 expenses. The hourly rates charged by FTI in this Chapter 11 Case were billed in  
23 accordance with FTI's rates and procedures in effect during the Final Fee Period and  
24 in accordance with the Retention Order. As described in the Retention Application,  
25 the rates FTI charges for the services of its professionals were set at a flat hourly rate  
26 of \$750.00.

27 10. FTI has received no payment and no promises for payment from any  
28 other source other than the Debtor for services rendered or to be rendered in any

1 capacity whatsoever in connection with the matters covered by this Application. No  
2 agreement or understanding exists between FTI and any other entity (other than  
3 shareholders or employees of FTI), for the sharing of compensation received or to be  
4 received for services rendered in or in connection with this case.

5 **II. Supporting Documentation**

6 11. For the convenience of the Court and parties in interest and in accordance  
7 with paragraph C of the U.S. Trustee Guidelines, the following information is prefixed  
8 to this Application:

- 9 a. a cover sheet summarizing the contents of this Application;  
10 b. schedules identifying all FTI professionals who provided services  
11 to the Committee during the Final Fee Period, including, with  
12 respect to each professional, as applicable, his or her position,  
13 hourly rate, hours billed, and total fees charged;  
14 c. a summary of FTI's compensation by project matter category for  
15 services provided to the Committee during the Third Interim  
16 Period and Final Period; and  
17 d. a summary of the actual and necessary expenses that FTI incurred  
18 during the Final Fee Period in connection with its professional  
19 services to the Committee during the Third Interim Period and  
20 Final Period.

21 12. In addition, the Nelson Declaration, which includes, among other things,  
22 a statement under paragraph C.5 of the U.S. Trustee Guidelines, is attached hereto as

23 **Exhibit A.**

24 **IV.**

25 **NARRATIVE STATEMENT OF SERVICES RENDERED**  
26 **AND TIME EXPENDED**

27 13. The Debtor's chapter 11 case has presented numerous large and complex  
28 issues that had to be addressed to preserve and maximize value for unsecured



1 creditors. The Retention Order authorized FTI to render financial advisory services to  
2 the Committee.

3 14. FTI has taken reasonable steps to avoid duplication of services provided  
4 by FTI's professionals and have actively managed the number of professionals who  
5 attend meetings, hearings, and conferences. In certain instances, multiple attendees  
6 were necessary to effectively coordinate work streams, to relay baseline knowledge /  
7 facts, to provide subject matter expertise and to accomplish the significant number of  
8 tasks at hand. These internal coordination meetings allow for more seamless and  
9 efficient delivery of services to the Committee.

10 15. The primary services rendered by FTI include, but are not limited to, the  
11 categories set forth below.

12 ***Code 1 – Current Operating Results & Events (9.5 hours and \$7,125.00 fees)***

13 a. During the Third Interim Period, FTI monitored the Debtor's  
14 financial and operating activity by reviewing the Monthly Operating Reports (MOR)  
15 provided by the Debtor. FTI conducted a detailed review of the MORs on a monthly  
16 basis to understand the payments made, the status of the Debtor's balance sheet, the  
17 Debtor's latest financial and operating activity, and the month-to-month balance sheet  
18 changes.

19 ***Code 2 – Cash & Liquidity Analysis (21.9 hours and \$16,425.00 fees)***

20 b. During the Third Interim Period, FTI monitored the Debtor's  
21 liquidity position and performed diligence on the Debtor's revised 13-week cash flow  
22 forecasts as well as the Debtor's weekly budget to actual variances. As part of this  
23 diligence, FTI corresponded with Debtor's advisors in order to understand the  
24 underlying drivers of the budget, key budget assumptions, and explanation for  
25 significant variances.

26 ***Code 14 – Analysis of Claims/Liabilities Subject to Compromise (151.8 hours and***  
27 ***\$113,850.00 fees)***  
28

1 c. During the Third Interim Period, FTI extensively reviewed the  
2 Debtor's claims register. In connection with this review, FTI prepared numerous  
3 analyses on certain claim categorizations, and assessed variances between filed and  
4 scheduled claims. This included the review and analysis of the general unsecured  
5 claims pool, the top filed claims, the claims estimates with respect to mediation  
6 settlement proposals, the cure costs in comparison to the filed and scheduled claims,  
7 and the detailed review of each claim in regards to the claim type, amount, nature, and  
8 validity. FTI also conducted detailed analyses in preparation of potential claims  
9 objections and corresponded frequently with the Debtor's advisors to better  
10 understand the validity and economics of certain claims, which were in turn presented  
11 to the Committee. Additionally, FTI conducted in-depth analyses on claims rejections,  
12 lease rejection damage calculations, and claims withdrawals over the course of the  
13 case. During the Third Interim Period, FTI also prepared and finalized a claim  
14 distribution letter as well as a letter requesting W-9 information to be sent to creditors  
15 with allowed claims.

16 ***Code 16 – POR & DS – Analysis, Negotiation and Formulation (34.6 hours and***  
17 ***\$25,950.00 fees)***

18 d. During the Third Interim Period, in connection with the preparation  
19 of a Plan and Disclosure Statement, FTI prepared an analysis of the claims to evaluate  
20 the necessary reserves for a GUC trust. This included a thorough review of the current  
21 claims pool to evaluate the validity of certain claims, as well as the calculation of  
22 potential lease rejection damages.

23 e. FTI also prepared an extensive waterfall recovery analysis and  
24 prepared associated notes and support to understand the Debtor's assets, claims, and  
25 recoveries under illustrative hypothetical scenarios in relation to the DHCS settlement.  
26 FTI continued to refresh and refine its waterfall recovery analysis over the Third  
27 Interim Period in connection with potential lease rejection damage calculations,  
28

1 alternative claims sizing for the Disclosure Statement, and updates to the Plan  
2 structure and timelines.

3 f. FTI participated in numerous discussions with the Debtor  
4 regarding the Plan of Reorganization in regard to timing of plan confirmation,  
5 liquidation trust issues, insurance coverages, the effective date and case transition. FTI  
6 also reviewed voting solicitation materials provided by the Debtor and prepared  
7 summaries of the Plan supplement schedules to present to the Committee.

8 ***Code 24 – Preparation of Fee Application (34.7 hours and \$26,025.00 fees)***

9  
10 g. During the Third Interim Period, FTI incurred time related to  
11 preparing and reviewing monthly fee applications and an interim fee application to  
12 ensure they complied with the Fee Procedures Order and Bankruptcy Code. During  
13 the Third Interim Period, FTI prepared and filed seven monthly fee applications and  
14 one interim fee application. FTI also seeks compensation for the estimated fees  
15 incurred in connection with the preparation of the seventeenth and final fee  
16 application.

17 **V.**

18 **REQUEST FOR FINAL COMPENSATION AND EXPENSE**  
19 **REIMBURSEMENT**

20 16. At all relevant times, FTI has not represented, and does not represent, any  
21 party having an interest adverse to the case.

22 17. All services for which FTI requests compensation were performed for or  
23 on behalf of the Committee.

24 18. FTI has received no payment and no promises for payment from any  
25 source other than from the Debtors for services rendered or to be rendered in any  
26 capacity whatsoever in connection with the matters covered by this Application. There  
27 is no agreement or understanding between FTI and any other person other than the  
28

1 partners of FTI for the sharing of compensation to be received for services rendered in  
2 these cases.

3 19. The professional services and related expenses for which FTI requests  
4 final allowance of compensation and reimbursement of expenses were rendered and  
5 incurred in connection with this case in the discharge of FTI's professional  
6 responsibilities as financial advisor for the Committee in this chapter 11 case. FTI's  
7 services have been necessary and beneficial to the Estate.

8 20. In accordance with the factors enumerated in section 330 of the  
9 Bankruptcy Code, it is respectfully submitted that the amount requested by FTI is fair  
10 and reasonable given: (a) the complexity of the case; (b) the time expended; (c) the  
11 nature and extent of the services rendered; (d) the value of such services; and (e) the  
12 costs of comparable services other than in a case under the Bankruptcy Code.  
13 Moreover, FTI has reviewed the requirements of Local Bankruptcy Rule 2016, Rule  
14 2016 of the Federal Rules of Bankruptcy Procedure, and the Fee Procedures Order and  
15 believes that this Application complies with such Rules and Order.

16 WHEREFORE, FTI respectfully requests that, pursuant to the Fee Procedures  
17 Order, the Court: (i) allow on a final basis approval of FTI's First Interim Fee  
18 Application and Second Interim Fee Application; (ii) allow on an interim and final  
19 basis compensation in the amount of \$192,675.00 in fees for services rendered by FTI  
20 during the Third Interim Period; (iii) allow on an interim and final basis compensation  
21 in the amount of \$242.93 in expenses incurred by FTI during the Third Interim Period;  
22 (iv) allow on a final basis compensation in the amount of \$1,076,100.00 in fees for  
23 services rendered by FTI during the Application Period; (v) allow on a final basis  
24 reimbursement of expenses in the amount of \$1,848.34 for expenses incurred during  
25 the Application Period; (vi) allow on a final basis an additional \$25,000.00 in fees and  
26 expenses related to the preparation of this Application; (vii) authorize payment of  
27  
28

1 these allowed but unpaid fees and expenses to FTI; and (viii) grant such other and  
2 further relief as the Court may deem proper.

3  
4  
5 Dated: March 29, 2024

FTI CONSULTING, INC.

6  
7 /s/ Cynthia Nelson  
8 Cynthia Nelson  
9 Senior Managing Director  
10 350 S. Grand Avenue, Suite 3000  
11 Los Angeles, CA 90071

PACHULSKI STANG ZIEHL & JONES LLP  
ATTORNEYS AT LAW  
LOS ANGELES, CALIFORNIA

# **EXHIBIT A**

**DECLARATION OF CYNTHIA NELSON**

I, Cynthia Nelson, declare as follows:

1. I am a Senior Managing Director with FTI Consulting, Inc. (together with its wholly owned subsidiaries, “FTI”), an international consulting firm. I submit this declaration on behalf of FTI in support of the *Third and Final Fee Application of FTI Consulting, Inc. for Approval of Compensation and Reimbursement of Expenses*.

2. I have personal knowledge of the facts set forth in the foregoing Application and, if called upon as a witness, I could and would competently testify as to all of the matters stated therein.

3. I have personally reviewed the information contained in the Application and believe its contents to be true and correct to the best of my knowledge, information and belief.

4. I have personally reviewed the bills in this matter, and the bills represent true and correct charges to the best of my knowledge, information and belief.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 29th day of March 2024 at Los Angeles, California.

/s/ Cynthia Nelson  
Cynthia Nelson

# **EXHIBIT B**



**EXHIBIT B**  
**Detailed Time Statement for Application Period**  
**(February 1, 2024 – February 14, 2024)**

<b>Task Category</b>	<b>Date</b>	<b>Professional</b>	<b>Hours</b>	<b>Activity</b>
14	2/1/2024	Ganti, Narendra	0.4	Conduct correspondences with FTI team re: latest claims updates.
14	2/2/2024	Zucker, Clifford	1.6	Review and analysis of claims reconciliation activity.
14	2/2/2024	Ganti, Narendra	0.6	Participate in call with Ankura to discuss claims.
14	2/2/2024	Gray, Michael	0.4	Evaluate impact of adjusting certain claim allowance discrepancies.
14	2/2/2024	Gray, Michael	0.8	Provide comments on draft list of claims ready for distribution.
14	2/2/2024	Gray, Michael	0.6	Participate in discussion with Ankura re: distributions and claims.
14	2/2/2024	Gray, Michael	0.7	Prepare draft distribution letter to be sent to creditors.
14	2/5/2024	Ganti, Narendra	0.3	Review letter to creditors in payment of their claims.
14	2/5/2024	Ganti, Narendra	0.5	Review claims to be paid in the first round.
14	2/5/2024	Gray, Michael	0.3	Conduct correspondence with Ankura re: claims ready for distribution.
14	2/5/2024	Gray, Michael	0.4	Revise draft distribution letter for comments from team.

14	2/5/2024	Gray, Michael	0.6	Review and comment on revised list of claims ready for distribution.
14	2/5/2024	Gray, Michael	0.3	Conduct correspondence with creditor re: stipulation to claim.
14	2/6/2024	Gray, Michael	0.6	Update master claims analysis tracker for latest information.
14	2/6/2024	Gray, Michael	0.3	Conduct correspondence with Ankura re: claim withdrawal.
14	2/6/2024	Gray, Michael	0.6	Continue to review list of claims ready for distribution.
14	2/6/2024	Gray, Michael	0.4	Participate in discussion with PSZJ re: status of claims objections.
14	2/7/2024	Gray, Michael	0.4	Review status of certain claims re: potential objection.
14	2/7/2024	Gray, Michael	0.3	Conduct correspondence with distribution agent and Ankura re: claims withdrawals.
14	2/8/2024	Zucker, Clifford	0.5	Review and analysis of W-9 schedule.
14	2/8/2024	Zucker, Clifford	0.8	Review and analysis of allowed GUC claims.
14	2/8/2024	Ganti, Narendra	0.5	Review W9 information, KCC engagement letter, and distribution amounts.
14	2/8/2024	Ganti, Narendra	0.4	Review correspondence on bank accounts and distributions.
14	2/8/2024	Gray, Michael	0.5	Correspond with PSZJ, KCC, and a creditor re: claim withdrawals.
14	2/8/2024	Gray, Michael	0.4	Obtain an update on status of certain claim reconciliation process.

14	2/9/2024	Gray, Michael	0.4	Update draft distribution letter for PSZJ edits.
14	2/9/2024	Gray, Michael	0.4	Evaluate proposed W-9 collection process.
14	2/12/2024	Ganti, Narendra	0.3	Review W-9 information.
14	2/12/2024	Gray, Michael	0.4	Correspond with Ankura and PSZJ re: potential claim settlement.
14	2/12/2024	Gray, Michael	0.5	Finalize and distribute claim distribution letter.
14	2/12/2024	Gray, Michael	0.5	Participate in discussion with Ankura and KCC re: distributions and W-9s.
14	2/12/2024	Gray, Michael	0.3	Correspond with Ankura re: W-9s.
14	2/13/2024	Ganti, Narendra	0.5	Review W-9 information on missing and incomplete information.
14	2/13/2024	Ganti, Narendra	0.6	Review claims data re: latest updates.
14	2/13/2024	Gray, Michael	0.4	Correspond with creditors re: missing supporting claim information.
14	2/13/2024	Gray, Michael	0.3	Correspond with creditor re: timing of distributions.
14	2/14/2024	Ganti, Narendra	0.4	Review updated W-9 information.
14	2/14/2024	Ganti, Narendra	0.6	Review updated claims data.
14	2/14/2024	Gray, Michael	0.4	Update draft W-9 request letter for comments from FTI and Ankura.

14	2/14/2024	Gray, Michael	0.3	Correspond with Ankura re: claims ready for distribution.
14	2/14/2024	Gray, Michael	0.7	Prepare draft W-9 request letter to be sent to creditors.
<b>14 Total</b>			<b>20.2</b>	
19	2/13/2024	Ganti, Narendra	0.5	Review engagement letter for KCC.
<b>19 Total</b>			<b>0.5</b>	
24	2/14/2024	Gray, Michael	0.3	Conduct correspondences re: January fee application.
<b>24 Total</b>			<b>0.3</b>	
<b>Grand Total</b>			<b>21.0</b>	