

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1(b)

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*Counsel to the Official Committee of
Unsecured Creditors*

In re:

CYXTERA TECHNOLOGIES, INC., *et al.*,¹

Debtor.

Chapter 11

Case No: 23-14853 (JKS)

(Jointly Administered)

Objection Deadline: February 8, 2024

**SIXTH MONTHLY FEE STATEMENT OF ALVAREZ & MARSAL NORTH AMERICA,
LLC, FOR PAYMENT OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES AS FINANCIAL ADVISOR TO THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS
FOR THE PERIOD FROM DECEMBER 1, 2023, THROUGH DECEMBER 31, 2023**

Alvarez & Marsal North America, LLC (“A&M”), financial advisor to the Official Committee of Unsecured Creditors (the “Committee”) appointed in the above-captioned jointly administered chapter 11 cases of Cyxtera Technologies, Inc., *et al.* (the “Debtors”), hereby submits

1. A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.kccellc.net/cyxtera>. The location of Debtor Cyxtera Technologies, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is: 2333 Ponce de Leon Boulevard, Ste. 900, Coral Gables, Florida 33134.



its sixth monthly fee statement (the “Statement”) pursuant to sections 330 and 331 of Title 11 of the United States Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, D.N.J. LBR 2016-1, and the *Administrative Fee Order Establishing Procedures for the Allowance and Payment of Interim Compensation and Reimbursement of Expenses of Professionals Retained by Order of This Court* entered on July 21, 2023 [Docket No. 305] (the “Administrative Fee Order”). Pursuant to the Administrative Fee Order, responses to this Statement, if any, are due by **February 8, 2024**.

Dated: January 25, 2024

**ALVAREZ & MARSAL NORTH
AMERICA, LLC**

By: /s/ Richard Newman
Richard Newman
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*Financial Advisor to the Official Committee of
Unsecured Creditors*

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

FEE STATEMENT COVER SHEET

Debtor: Cyxtera Technologies, Inc., <i>et al.</i> ¹	Applicant: Alvarez & Marsal North America, LLC (“A&M”)
Case No: 23-14853 (JKS)	Client: Official Committee of Unsecured Creditors
Chapter: 11	Case Filed: June 04, 2023

**SECTION I
FEE SUMMARY**

Summary of the Amounts Requested for the Period from
December 1, 2023, through December 31, 2023 (the “Fee Period”)

Fee Total:	\$5,140.00
Less: 20% Holdback	(1,028.00)
Plus: 100% Expenses	4.12
Total Sought at this Time	\$4,116.12

Summary of Amounts Requested for Previous Periods

	<u>FEES</u>	<u>EXPENSES</u>
Total Previous Fees Requested:	\$1,900,494.00	\$372.97
Total Fees Allowed To Date:	\$1,520,395.20	\$372.97
Total Retainer (If Applicable):	N/A	N/A
Total Holdback:	\$380,098.80	\$0.00
Total Amount Received By Applicant:	\$1,520,395.20	\$372.97

1. A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://www.kccllc.net/cyxtera>. The location of Debtor Cyxtera Technologies, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is: 2333 Ponce de Leon Boulevard, Ste. 900, Coral Gables, Florida 33134.

SECTION I (CONTINUED)
FEE SUMMARY

Professional	Position	Billing Rate	Hours	Fees
Newman, Richard	Managing Director	\$ 1,200	0.9	\$ 1,0800.00
Waschitz, Seth	Senior Director	950	1.3	1,235.00
Domfeh, Kofi	Director	850	0.4	340.00
Hill, Michael	Associate	575	2.4	1,380.00
Rovitz, Alec	Analyst	425	2.6	1,105.00
			<u>7.6</u>	<u>\$ 5,140.00</u>

SECTION II SUMMARY OF SERVICES

Project Category	Hours	Fees
Cash Budget	2.1	\$ 1,630.00
Claims / Liabilities Subject to Compromise	1.4	930.00
Fee Application	4.0	2,460.00
Financial & Operational Matters	0.1	120.00
Total	<u>7.6</u>	<u>\$ 5,140.00</u>

SECTION III SUMMARY OF DISBURSEMENTS

Expense Type	Amount
Miscellaneous	\$4.12
Lodging	0.00
Meals	0.00
Airfare	0.00
Transportation	0.00
Total	<u>\$4.12</u>

**SECTION IV
CASE HISTORY**

- (1) Date cases filed: June 04, 2023
- (2) Chapter under which cases commenced: Chapter 11
- (3) Date of Retention: August 25, 2023
- (4) Summarize in brief the benefits to the estate and attach supplements as needed:
 - (a) A&M analyzed the Debtors' weekly cash budgets and budget-to-actual cash variances, and prepared cash flow presentations for the Committee
 - (b) A&M reviewed and summarized historical financial and operating data, including documentation posted to the Debtors' virtual data room
 - (c) A&M prepared and maintained due diligence request lists to monitor documents requested and received
 - (d) A&M reviewed numerous motions and orders to ensure the authority sought by the Debtors was reasonable
 - (e) A&M monitored the sale process and corresponded with the Debtors' professionals regarding the status of asset sales and lease sales / terminations
 - (f) A&M conducted research pertaining to potential avoidance actions / sources of value for unsecured creditors
 - (g) A&M regularly participated in calls with the Committee, Committee counsel, and the Debtors' professionals
 - (h) A&M analyzed general unsecured claims
 - (i) A&M prepared an analysis of the Debtors' business plan and presented it to the committee
 - (j) To the extent not addressed by the foregoing descriptions, A&M performed other services on behalf of the Committee that were necessary and appropriate during these chapter 11 cases

In support of this Statement, the following exhibits are annexed hereto:

- Exhibit A – Retention Order
- Exhibit B – A&M's itemized daily time records
- Exhibit C – A&M's itemized daily expense records

I certify under penalty of perjury that the foregoing is true and correct.

Dated: January 25, 2024

/s/ Richard Newman
Richard Newman

EXHIBIT A
ALVAREZ & MARSAL NORTH AMERICA, LLC
RETENTION ORDER



Order Filed on August 25, 2023
by Clerk
U.S. Bankruptcy Court
District of New Jersey

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY	
Caption in Compliance with D.N.J. LBR 9004-1(b) Robert J. Feinstein Bradford J. Sandler Paul J. Labov Colin R. Robinson PACHULSKI STANG ZIEHL & JONES LLP 780 Third Avenue, 34 th Floor New York, NY 10017 Telephone: (212) 561-7700 Facsimile: (212) 561-7777 rfeinstein@pszjlaw.com bsandler@pszjlaw.com plabov@pszjlaw.com crobinson@pszjlaw.com	
<i>Proposed Counsel for the Official Committee of Unsecured Creditors</i>	
In re:	Chapter 11
CYXTERA TECHNOLOGIES, INC., <i>et al.</i> , ¹	Case No. 23-14853 (JKS) (Jointly Administered)
Debtors.	

ORDER AUTHORIZING EMPLOYMENT AND RETENTION OF ALVAREZ & MARSAL NORTH AMERICA, LLC AS FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF THE DEBTORS, CYXTERA TECHNOLOGIES, INC., ET AL., EFFECTIVE AS OF JUNE 27, 2023

The relief set forth on the following pages, numbered two (2) through six (6), is hereby **ORDERED**.

DATED: August 25, 2023



Honorable John K. Sherwood
United States Bankruptcy Court

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://www.kccllc.net/cyxtera>. The location of Debtor Cyxtera Technologies, Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is: 2333 Ponce de Leon Boulevard, Ste. 900, Coral Gables, Florida 33134.

Upon the application (the “Application”)² of the Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for entry of an order pursuant to sections 328, and 1103 of title 11 of the United States Code (the “Bankruptcy Code”), authorizing the employment and retention of Alvarez & Marsal North America, LLC together with employees of its affiliates (all of which are wholly-owned by its parent company and employees), its wholly owned subsidiaries, and independent contractors (collectively, “A&M”), as financial advisor to the Committee, effective as of June 27, 2023, and upon the Newman Declaration; and due and adequate notice of the Application having been given; and it appearing that no other notice need be given; and it appearing that A&M does not represent any adverse interest in connection with these cases; and it appearing that the relief requested in the Application is in the best interest of the Committee; it is hereby

ORDERED that:

1. The Application is approved as set forth therein.
2. In accordance with Bankruptcy Code sections 328 and 1103, the Committee is authorized to employ and retain A&M effective as of June 27, 2023, as its financial advisor on the terms set forth in the Application without the need for any further action on the part of A&M or the Committee to document such retention.
3. The terms of A&M’s engagement, as set forth in the Application, including, without limitation, the compensation provisions and the indemnification provisions, are reasonable terms and conditions of employment and are hereby approved. However, the Debtors’ obligations to

²Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Application.

indemnify A&M pursuant to the indemnification provisions included in the Application are subject to the following:

(a) all requests by A&M for the payment of indemnification as set forth in this Order shall be made by means of an application to the Court and shall be subject to review by the Court to ensure that payment of such indemnity conforms to the terms of the Application and this Order and is reasonable under the circumstances of the litigation or settlement in respect of which indemnity is sought; provided, however, that in no event shall A&M be indemnified if the Debtors or a representative of the estate, asserts a claim for, and a court determines by final order (which final order is no longer subject to appeal) that such claim arose out of A&M's own bad faith, self-dealing, breach of fiduciary duty, fraud, gross negligence or willful misconduct; and

(b) in no event shall A&M be indemnified for any claim that either (i) a court determines by final order (which final order is no longer subject to appeal) that such claim arose out of A&M's own bad faith, self-dealing, breach of fiduciary duty (if any), fraud, gross negligence, or willful misconduct; (ii) for a contractual dispute in which the Debtors allege the breach of an indemnified party's contractual obligations if the Court determines that indemnification, contribution or reimbursement would not be permissible pursuant to *In re United Artists Theatre Company*, 315 F.3d 217 (3d Cir. 2003); or (iii) the claim is settled prior to a judicial determination as to clauses (i) or (ii), but is determined by this Court, after notice and a hearing pursuant to terms of the Application and this Order, to be a claim or expense for which A&M is not entitled to receive indemnity under the terms of the Application and this Order; and

(c) in the event A&M seeks reimbursement from the Debtors for attorneys' fees and expenses in connection with the payment of an indemnity claim pursuant to this Order, the invoices and supporting time records from such attorneys shall be included in A&M's own

applications, both interim and final, and such invoices and time records shall be subject to the United States Trustee's Guidelines for compensation and reimbursement of expenses and the approval of the Court pursuant to sections 330 and 331 of the Bankruptcy Code without regard to whether such attorneys have been retained under section 327 of the Bankruptcy Code and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code.

4. All parties-in-interest shall retain the right to object to (1) any demand by the indemnified parties for indemnification, contribution, or reimbursement; and (2) any request for reimbursement of legal fees of A&M's independent legal counsel.

5. A&M shall file applications for interim and final allowance of compensation and reimbursement of expenses pursuant to the procedures set forth in Bankruptcy Code sections 330 and 331, such Bankruptcy Rules as may then be applicable, the Local Bankruptcy Rules, the Guidelines, and the Court's Interim Compensation Order and any amendments or modifications thereto.

6. A&M will keep its time records in tenth-of-an-hour increments in accordance with Local Rule 2016-1 of this Court and shall otherwise comply with the requirements of that Local Rule, as well as Bankruptcy Rule 2016(a), and the United States Trustee Fee Guidelines.

7. A&M will only bill 50% for non-working travel.

8. Notwithstanding any other provision in this Order, the U.S. Trustee shall have the right to object to A&M's request(s) for interim and final compensation and reimbursement based on the reasonableness standard provided in section 330 of the Bankruptcy Code rather than section 328(a) of the Bankruptcy Code. This Order and the record relating to the Court's consideration of the Application shall not prejudice or otherwise affect the rights of the U.S. Trustee to challenge the reasonableness of A&M's fees under the standard set forth in the preceding sentence.

Accordingly, nothing in this Order or the record shall constitute a finding of fact or conclusion of law binding on the U.S. Trustee, on appeal or otherwise, with respect to the reasonableness of A&M's fees.

9. Notwithstanding anything in the Application to the contrary and for the avoidance of doubt, A&M will not be entitled to recover attorneys' fees or expenses for defending its fee applications in these Chapter 11 Cases.

10. The Committee will coordinate with A&M and its other retained professionals to minimize unnecessary duplication of the services provided by any of its retained professionals.

11. Prior to charging any increases in its hourly rates, A&M shall provide ten (10) business days' notice of any such increases to the Debtors, the U.S. Trustee, and the Committee, and shall file such notice with the Court. The U.S. Trustee retains all rights to object to any rate increase on all grounds, including the reasonableness standard set forth in section 330 of the Bankruptcy Code, and the Court retains the right to review any rate increase pursuant to section 330 of the Bankruptcy Code

12. To the extent that there may be any inconsistency between the terms of the Application and this Order, the terms of this Order shall govern.

13. The Committee and A&M are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

14. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

15. Notice of the Application as provided therein is deemed to be good and sufficient notice of such Application, and the requirements of the Bankruptcy Rules and the Local Bankruptcy Rules are satisfied by the Application.

16. This Court shall retain jurisdiction with respect to all matters arising or related to the implementation of this Order and A&M's services for the Committee.

EXHIBIT B
ITEMIZED DAILY TIME RECORDS
FOR THE PERIOD OF DECEMBER 1, 2023, THROUGH DECEMBER 31, 2023

Professional	Date	Hours	Time Description
Cash Budget			
Newman, Richard	12/7/2023	0.1	Prepare questions for Debtors' professionals re: cash flow budget
Newman, Richard	12/8/2023	0.1	Review cash flow budget re: budget to actuals
Newman, Richard	12/8/2023	0.1	Correspond with UCC counsel re: cash flow budget
Domfeh, Kofi	12/8/2023	0.2	Participate in call with Debtors' professionals and A&M team (Hill) re: cash flow budget variance report
Hill, Michael	12/8/2023	0.2	Participate in call with Debtors' professionals and A&M team (Domfeh) re: cash flow budget variance report
Hill, Michael	12/8/2023	0.4	Analyze updated cash flow budget re: budget to actuals
Hill, Michael	12/8/2023	0.2	Correspond with A&M team re: cash flow budget questions
Newman, Richard	12/21/2023	0.1	Review cash flow budget re: budget to actuals
Hill, Michael	12/21/2023	0.4	Analyze updated cash flow budget re: variance report
Domfeh, Kofi	12/22/2023	0.1	Participate on call with A&M team (Newman) re: cash flow budget variance report
Newman, Richard	12/22/2023	0.1	Participate on call with A&M team (Domfeh) re: cash flow budget variance report
Domfeh, Kofi	12/22/2023	0.1	Participate on call with Debtors' professionals re: updated cash flow budget variance report
Subtotal		2.1	
Claims / Liabilities Subject to Compromise			
Newman, Richard	12/4/2023	0.1	Correspondence with A&M team re: claims analysis
Hill, Michael	12/4/2023	1.2	Update claims analysis re: priority unsecured claims
Newman, Richard	12/16/2023	0.1	Review motion to reject contracts
Subtotal		1.4	
Fee Application			
Rovitz, Alec	12/18/2023	0.7	Prepare November fee application
Rovitz, Alec	12/20/2023	1.9	Prepare first interim fee application
Waschitz, Seth	12/21/2023	1.3	Review and edit first interim fee application
Newman, Richard	12/21/2023	0.1	Review and comment on November fee application
Subtotal		4.0	
Financial & Operational Matters			
Newman, Richard	12/22/2023	0.1	Correspond with UCC counsel re: closing date
Subtotal		0.1	
Grand Total		7.6	

EXHIBIT C
ITEMIZED EXPENSE DETAIL
FOR THE PERIOD OF DECEMBER 1, 2023 THROUGH DECEMBER 31, 2023

Exhibit C

CYXTERA TECHNOLOGIES, INC., et al.
Expense Summary by Category
December 1, 2023 through December 31, 2023

Expense Category	Total
Miscellaneous	\$ 4.12
Total	\$ 4.12