

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

In re: INVIVO THERAPEUTICS CORPORATION, <i>et al.</i> ¹ <p align="center">Debtors.</p>	Chapter 11 Case No. 24-10137 (MFW) (Jointly Administered) <u>Hearing Date:</u> July 17, 2024 at 11:30 a.m. (ET) <u>Obj. Deadline:</u> June 20, 2024 at 4:00 p.m. (ET)
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FIRST INTERIM FEE APPLICATION OF SONORAN CAPITAL ADVISORS LLC

Name of Applicant: Sonoran Capital Advisors, LLC

Authorized to Provide Professional Services to: Debtors and Debtors-In-Possession

Date of Retention: February 22, 2024, effective *nunc pro tunc* to February 1, 2024

Period for which compensation and reimbursement sought: February 1, 2024 through April 30, 2024

This is a(n) ___ monthly ___ x ___ interim ___ final application

Interim Fee Application Period, Date Filed & Docket Number	Total Fees Requested	Total Expenses Requested	CNO Filing Date, Docket Number	Amount of Fees Paid or to be Paid (80%)	Amount of Expenses Paid or to be Paid (100%)	Amount of Holdback Fees Sought (20%)
02/1/2024 – 02/29/2024; Filed 03/12/2024 D.I. 110	\$10,535.00	\$0.00	03/27/2024 D.I. 127	\$8,428.00	\$0.00	\$2,107.00
03/1/2024 – 03/31/2024; Filed 04/10/2024 D.I. 144	\$5,640.50	\$0.00	04/30/2024 D.I. 175	\$4,512.40	\$0.00	\$1,128.10
04/1/2024 – 04/30/2024; Filed 05/16/2024 D.I. 188	\$5,123.50	\$0.00	<i>Pending</i>	\$4,098.80	\$0.00	\$1,024.70
TOTALS:	\$21,299.00	\$0.00	N/A	\$17,039.20	\$0.00	\$4,259.80

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: InVivo Therapeutics Corporation (6670) and InVivo Therapeutics Holdings Corp. (8166). The Debtors’ mailing address is 1500 District Avenue, Burlington, MA 01803. {1394.002-W0076049.2}



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

In re:

INVIVO THERAPEUTICS CORPORATION, *et al.*¹

Debtors.

Chapter 11

Case No. 24-10137 (MFW)

(Jointly Administered)

Hearing Date: July 17, 2024 at 11:30 a.m. (ET)

Obj. Deadline: June 20, 2024 at 4:00 p.m. (ET)

FIRST INTERIM FEE APPLICATION OF SONORAN CAPITAL ADVISORS, LLC

Sonoran Capital Advisors, LLC (“SCA”), financial advisor to the above-captioned Debtors and Debtors-in-Possession (the “Debtors”), hereby submits this *First Interim Fee Application of Sonoran Capital Advisors, LLC* (the “Application”) for allowance of compensation and reimbursement of expenses pursuant to 11 U.S.C. §§ 330 and 331 for financial advisory services performed during the period commencing February 1, 2024 through April 30, 2024 (the “Application Period”). In support thereof, SCA respectfully represents as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A) and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: InVivo Therapeutics Corporation (6670) and InVivo Therapeutics Holdings Corp. (8166). The Debtors’ mailing address is 1500 District Avenue, Burlington, MA 01803.

(M), and the Bankruptcy Court may enter a final order consistent with Article III of the United States Constitution.²

2. The statutory bases for the relief sought herein are sections 105(a), 330 and 331 of chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (as amended or modified, the “Bankruptcy Code”).

BACKGROUND

3. On February 1, 2024 (the “Petition Date”), the Debtors commenced the above-captioned chapter 11 cases (the “Chapter 11 Cases”) by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

4. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108. As of the date of this Application, no trustee, examiner or statutory committee has been appointed in these Chapter 11 Cases.

5. Additional information regarding the circumstances leading to the commencement of these Chapter 11 Cases and information regarding the Debtors’ businesses and capital structure is set forth in the *Declaration of Richard Christopher in Support of the Debtors’ Chapter 11 Petitions and First Day Pleadings* [D.I. 3].

6. On February 22, 2024, the Court entered its *Order Authorizing the Employment and Retention of Sonoran Capital Advisors, LLC as Financial Advisor to the Debtors, Effective as of the Petition Date* [D.I. 86] authorizing the Debtors’ retention of SCA as their financial advisor in these Chapter 11 Cases.

² Pursuant to rule 9013(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), SCA hereby confirms its consent to entry of a final order by the Bankruptcy Court in connection with this Application if it is later determined the Bankruptcy Court, absent consent of the parties, cannot enter final orders and judgments consistent with Article III of the United States Constitution.

7. On February 22, 2024, the Court entered its *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [D.I. 85] (the “Interim Compensation Order”).

RELIEF REQUESTED

8. By this Application, SCA seeks interim approval and allowance of its compensation for financial advisory services and reimbursement of expenses incurred during the Application Period, including authorization for the Debtors to pay the 20% holdback of fees as provided under the Interim Compensation Order. SCA has filed and served monthly fee applications and related certificates of no objection, where appropriate, for the periods covering February 1, 2024 through and including April 30, 2024 (collectively, the “Monthly Fee Applications”). A copy of the computer-generated time entries reflecting the time recorded for services rendered, organized in project billing categories in accordance with the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330* (the “U.S. Trustee Guidelines”) are attached to each of the Monthly Fee Applications.³ There were no expenses incurred during the period. Each of the Monthly Fee Applications is incorporated by reference as if fully set forth herein.⁴

9. This Application is supported by (i) **Exhibit A**, which is a summary of compensation by each professional of SCA who worked on these Chapter 11 Cases during the Application Period; (ii) **Exhibit B**, which is a summary of compensation by project category; and (iii) the Certification of Matthew Foster, which is attached hereto as **Exhibit C**.

³ SCA has also made reasonable efforts to submit this Application in a manner consistent with the U.S. Trustee Guidelines. To the extent that the U.S. Trustee Guidelines conflict with the Local Rules, in particular, Local Rule 2016-2, SCA has chosen to comply with such Local Rule. SCA will supplement this Application with additional detail or information upon request.

⁴ Copies of the Monthly Fee Applications are available at D.I. 110, 144, and 188 and may be obtained by written request to the undersigned.

COMPENSATION REQUESTED

10. SCA seeks interim allowance of fees in the amount of \$21,299.00 for financial advisory services rendered during the Application Period. In addition, SCA requests that the Debtors are authorized to pay the \$4,259.80 in fees representing the twenty percent (20%) “holdback” of fees.

LEGAL STANDARD

11. Bankruptcy Code section 330(a)(1) allows the payment of:

(A) 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

(B) reimbursement for actual, necessary expenses.

11 U.S.C. § 330(a)(1). Reasonableness of compensation is informed by the “market-driven approach,” which considers the nature, extent and value of services provided by the professional and the cost of comparable services in non-bankruptcy contexts. *See Zolfo Cooper & Co. v. Sunbeam-Oster Co.*, 50 F.3d 253, 258 (3d Cir. 1995); *In re Busy Beaver Building Ctr., Inc.*, 19 F.3d 833, 849 (3d Cir. 1994). Thus, the “baseline rule is for firms to receive their customary rates.” *Zolfo Cooper*, 50 F.3d at 259.

12. In accordance with its practices in non-bankruptcy matters, SCA has calculated its compensation requested in this Application by applying its standard hourly rates. SCA’s calculation is based upon hourly rates that are well within the range of rates that are charged by comparable firms in similar bankruptcy cases. Accordingly, SCA’s rates should be determined to be reasonable under Bankruptcy Code section 330.

13. SCA’s fees during the Application Periods are also reasonable under the prevailing legal standard and should be allowed. The amount of these fees is not unusual given

the complexity, size and the extraordinary amount of work required at the outset of the Debtors' Chapter 11 Cases. SCA's fees are commensurate with fees that other attorneys of comparable experience and expertise have charged and been awarded in similar chapter 11 cases. Accordingly, SCA's fees are reasonable pursuant to Bankruptcy Code section 330.

14. Except as permitted by Bankruptcy Rule 2016, no agreement or understanding exists between SCA and/or any third person for the sharing or division of compensation. All of the services for which compensation is requested in this Application were rendered at the request of and solely on behalf of the Debtors.

15. Pursuant to the standards set forth in Bankruptcy Code sections 330 and 331, SCA submits that the compensation requested is for actual and necessary services, and is reasonable, based upon the nature, extent and value of such services, the time spent thereon, and the costs of comparable services in cases under the Bankruptcy Code.

16. The considerable challenges of these Chapter 11 Cases have been attended to and managed by SCA at all levels promptly, expertly and often to the exclusion of other matters in SCA's office. SCA submits, therefore, that its fees were actually necessary, reasonable and justified, and should be allowed in full.

NOTICE AND NO PRIOR REQUEST

17. Notice of this Application has been given to the following parties or, in lieu of, to their counsel, if known: the Office of the United States Trustee for the District of Delaware. SCA submits that no other or further notice is necessary.

18. No prior request for the relief sought in this Application has been made to this or any other court.

WHEREFORE, SCA respectfully requests that the Court (i) grant the Application and (ii) grant such further relief as is just and proper.

Dated: May 30, 2024
Wilmington, Delaware

SONORAN CAPITAL ADVISORS LLC

/s/ Matthew Foster

Matthew Foster
1733 N. Greenfield Rd., #104
Mesa, Arizona 85205
Telephone: (602) 405-5380
Email: mfooster@sonorancap.com

Financial Advisor for the Debtors and Debtors-In-Possession

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

In re:

INVIVO THERAPEUTICS CORPORATION, *et al.*,¹

Debtors.

Chapter 11

Case No. 24-10137 (MFW)

(Jointly Administered)

Hearing Date: July 17, 2024 at 11:30 a.m. ET

Obj. Deadline: June 20, 2024 at 4:00 p.m. (EDT)

**NOTICE OF FIRST INTERIM FEE APPLICATION OF
SONORAN CAPITAL ADVISORS LLC**

TO: Office of the United States Trustee for the District of Delaware.

PLEASE TAKE NOTICE that on the date hereof, Sonoran Capital Advisors LLC (“Sonoran”) filed the *First Interim Fee Application of Sonoran Capital Advisors, LLC* (the “Application”) with the United States Bankruptcy Court for the District of Delaware.

PLEASE TAKE FURTHER NOTICE that objections (the “Objections”), if any, to the Application must be made in accordance with the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [D.I. 85] (the “Interim Compensation Order”). Objections must be served on the following parties so as to be received no later than **4:00 p.m. ET on June 20, 2024** (the “Objection Deadline”):

- (1) Counsel to the Debtors, Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801, Attn: Matthew B. McGuire, Esq. (mcguire@lrclaw.com) and Joshua B. Brooks, Esq. (brooks@lrclaw.com);
- (2) Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Joseph Cudia, Esq. (joseph.cudia@usdoj.gov); and
- (3) counsel to any Committee.

A HEARING ON THE APPLICATION WILL BE HELD ON **JULY 17, 2024 AT 11:30 A.M. (ET)** BEFORE THE HONORABLE MARY F. WALRATH, UNITED STATES BANKRUPTCY COURT JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 5th FLOOR, COURTROOM NO. 4, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: InVivo Therapeutics Corporation (6670) and InVivo Therapeutics Holdings Corp. (8166). The Debtors’ mailing address is 1500 District Avenue, Burlington, MA 01803.

Dated: May 30, 2024
Wilmington, Delaware

LANDIS RATH & COBB LLP

/s/ George A. Williams III

Matthew B. McGuire (No. 4366)

Joshua B. Brooks (No. 6765)

George A. Williams III (No. 6964)

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Counsel for the Debtors and Debtors in Possession

EXHIBIT A

**SUMMARY OF FEES BY INDIVIDUAL FOR THE APPLICATION PERIOD
(February 1, 2024 – April 30, 2024)**

Name of Professional	Position with Sonoran Capital	Hourly Billing Rate	Total Billed Hours	Total Compensation
Matt Foster	Managing Director	\$ 595.00	13.50	\$ 8,032.50
Phillip Chapman	Director	\$ 395.00	0.20	\$ 79.00
Kenneth Bloomquist	Associate	\$ 295.00	29.50	\$ 8,702.50
McKay Barney	Analyst	\$ 195.00	23.00	\$ 4,485.00
Total			66.20	\$ 21,299.00

Blended Hourly Rate: \$321.74

EXHIBIT B

COMPENSATION BY PROJECT CATEGORY
(February 1, 2024 – April 30, 2024)

Project Category	Hours	Fee Amount
Administrative	2.00	\$ 390.00
Client Admin	9.30	\$ 3,453.50
Conference Call	20.20	\$ 7,369.00
Court Attendance	0.80	\$ 326.00
Document Review	18.20	\$ 5,929.00
Financial Analysis	12.20	\$ 3,149.00
Report Drafting	3.50	\$ 682.50
Total	66.20	\$ 21,299.00

EXHIBIT C

**IN THE UNITED STATES BANKRUPTCY COURT
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In re:

INVIVO THERAPEUTICS CORPORATION, *et al.*¹

Debtors.

Chapter 11

Case No. 24-10137 (MFW)

(Jointly Administered)

CERTIFICATION OF MATTHEW FOSTER

I, Matthew Foster, hereby certify that:

1. I am a Managing Director in the firm of Sonoran Capital Advisors, LLC (“SCA”), and I am duly authorized to make this certification on behalf of SCA. SCA was retained by the above-captioned Debtors and Debtors-in-possession as their Financial Advisor pursuant to an order of the Bankruptcy Court. This certification is made in support of the *First Interim Fee Application of Sonoran Capital Advisors LLC* (the “Application”) and in compliance with Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Rule”) and with the *United States Trustee’s Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330* (the “Guidelines”).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: InVivo Therapeutics Corporation (6670) and InVivo Therapeutics Holdings Corp. (8166). The Debtors’ mailing address is 1500 District Avenue, Burlington, MA 01803.

2. I have read the Application and I certify that the Application substantially complies with the Rule 2016-2 and the U.S. Trustee Guidelines.

Dated: May 30, 2024
Wilmington, Delaware

SONORAN CAPITAL ADVISORS LLC

/s/ Matthew Foster _____
Matthew Foster
1733 N. Greenfield Rd., #104
Mesa, Arizona 85205
Telephone: (602) 405-5380
E-mail: mfooster@sonorancap.com

Financial Advisor for the Debtors and Debtors-In-Possession