

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

In re:

NVN Liquidation, Inc., *et al.*,
f/k/a NOVAN, INC.,¹

Debtors.

Chapter 11

Case No. 23-10937 (LSS)

(Jointly Administered)

Objection Deadline: April 8, 2024 at 4:00 p.m. (ET)

**SUMMARY OF FOURTH MONTHLY FEE APPLICATION OF
DUNDON ADVISERS LLC, FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED FOR THE PERIOD FROM DECEMBER 1, 2023 TO JANUARY 31, 2024**

Name of Applicant: Dundon Advisers LLC

Authorized to Provide Services to: Official Committee of Unsecured Creditors

Date of Retention: September 7, 2023, effective as of
August 2, 2023 [D.I. 268]

Period for which Compensation/
Reimbursement is Sought: December 1, 2023 – January 31, 2024

Total Compensation Sought as Actual,
Reasonable and Necessary, of which 80% is
Payable \$11,572.20²

This is an: combined monthly interim final application

¹ The Debtors in these chapter 11 cases, along with the last four digits of the Debtors' federal tax identification number (if applicable), are:
NVN Liquidation, Inc., (f/k/a Novan, Inc.) (7682) and EPI Health, LLC (9118). The corporate headquarters and the mailing address for the
Debtors is P.O. Box 64, Pittsboro, NC 27312

² As agreed with the Committee, this amount represents a 10% discount from our standard hourly fees.



231093724031900000000002

FEE SUMMARY BY PROFESSIONAL**Time and Fees by Timekeeper
December 1, 2023 through January 31, 2024**

Timekeeper	Current Rate	Hours	Amount
Gregory Hill	\$550.00/hr	3.70	\$ 2,035.00
Joshua Nahas	\$790.00/hr	10.30	8,137.00
Rick Wright	\$790.00/hr	3.40	2,686.00
Total before giving effect to rate discount		17.40	12,858.00
10% discount			(1,285.80)
Total			<u>\$ 11,572.20</u>

FEE SUMMARY BY TASK CODE**Compensation By Category For Compensation Period**

Time and Fees by Activity

December 1, 2023 through January 31, 2024			
Category	Hours	Fees	
Business Analysis	3.90	\$	2,961.00
Claims Analysis	1.00		790.00
Committee Member/Professional Meetings & Communications	1.50		1,065.00
Plan and Disclosure Statement	7.10		5,393.00
Retention and Fee Applications	3.90		2,649.00
Total before giving effect to rate discount	17.40		12,858.00
10% discount			(1,285.80)
Total		<u>\$</u>	<u>11,572.20</u>

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

In re:

NVN Liquidation, Inc., *et al.*,
f/k/a NOVAN, INC.,¹

Debtors.

Chapter 11

Case No. 23-10937 (LSS)

(Jointly Administered)

Objection Deadline: April 8, 2024 at 4:00 p.m. (ET)

**FOURTH MONTHLY FEE APPLICATION OF DUNDON ADVISERS LLC, FINANCIAL ADVISOR TO
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD FROM
DECEMBER 1, 2023 TO JANUARY 31, 2024**

Dundon Advisers LLC ("Dundon") files this fourth monthly fee application (the "Fourth Monthly Fee Application" or this "Application") seeking compensation for services rendered and reimbursement of expenses incurred in its capacity as financial advisor for the Official Committee of Unsecured Creditors appointed in the above-referenced bankruptcy cases (the "Committee") for the period from December 1, 2023, through January 31, 2024 (the "Fee Period"). Pursuant to this Application, Dundon seeks allowance of compensation for professional services Dundon performed during the Fee Period in the amount of \$11,572.20² less a twenty percent (20%) holdback in the amount of \$2,314.44 for an immediately payable fee request of \$9,257.76. No expenses were recorded during the Fee Period. The statutory and legal predicates for the relief sought herein are sections 330, 331, and 1103 of chapter 11 title of title 11 of the United States

¹ The Debtors in these chapter 11 cases, along with the last four digits of the Debtors' federal tax identification number (if applicable), are: NVN Liquidation, Inc., (f/k/a Novan, Inc.) (7682) and EPI Health, LLC (9118). The corporate headquarters and the mailing address for the Debtors is P.O. Box 64, Pittsboro, NC 27312

² As agreed with the Committee, this amount represents a 10% discount from our standard hourly fees.

Code, 11 U.S.C. § 101, et seq. (the “Bankruptcy Code”), Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 2016 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) and this Court’s *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [D.I. 218] (the “Interim Compensation Order”). The total amount sought for fees represents 17.40 hours of professional services. In support of this Application, Dundon represents the following:

I. BACKGROUND

1. On July 27, 2023 (the “Petition Date”), the Debtors each filed a voluntary petition with this Court under chapter 11 of the Bankruptcy Code. The Debtors are operating their business and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Cases.

2. On or about July 28, 2023, the United States Trustee for Region 3 (the “U.S. Trustee”) appointed the Committee to represent the interests of all unsecured creditors in these Cases pursuant to section 1102 of the Bankruptcy Code. The members appointed to the Committee are: (i) Truveris, Inc., (ii) Alcaris Therapeutics, Inc. and (iii) Dr. Reddy’s Laboratories, Inc. The Committee selected Truveris, Inc. as its chair. See D.I. 72.

3. On August 2, 2023, the Committee voted to retain Dundon Advisers as financial advisor to the Committee, subject to Court approval.

II. JURISDICTION AND VENUE

4. This 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 as of February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Pursuant to Local Rule 9013-1(f), the Committee consents to the entry of a final judgment or order with respect to the Application if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

5. Venue of this proceeding and this Application is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

6. The statutory bases for the relief requested herein are sections 328 and 1103 of the Bankruptcy Code, Bankruptcy Rule 2014, and Local Rule 2014-1.

III. RELIEF REQUESTED

7. Pursuant to the Retention Order, the Interim Compensation Order, and Sections 328(a), 330, and 331 of the Bankruptcy Code, Dundon seeks: allowance and payment of compensation for professional services Dundon performed during the Fee Period in the amount of \$11,572.20³ less a twenty percent (20%) holdback in the amount of \$2,314.44 for an immediately payable fee request of \$9,257.76. No expenses were recorded during the Fee Period.

8. Dundon has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the fees sought to be paid pursuant to this Application. With respect to the fees requested by Dundon, there is no agreement or understanding between Dundon and any other person, other than the

³ As agreed with the Committee, this amount represents a 10% discount from our standard hourly fees.

members of the firm, for the sharing of compensation to be received for services rendered in these cases.

9. All financial advisory services provided by Dundon during the Fee Period were performed on behalf of the Committee, and not on behalf of any other person or entity.

10. This is Dundon’s Fourth Monthly Fee Application.

IV. SUMMARY OF SERVICES RENDERED AND EXPENSES INCURRED

11. Dundon has maintained detailed records of the time spent in rendition of professional services to the Committee during the Fee Period. Attached hereto as Exhibit “A” and incorporated herein by reference are detailed time records for services rendered during the Fee Period. The time records include the date that the services were rendered, a detailed narrative description of the services provided, the amount of time spent for each service and the designation of the professional who performed the service.

12. Services rendered during the Fee Period can be grouped as follows:

Compensation By Category For Compensation Period

Time and Fees by Activity

December 1, 2023 through January 31, 2024			
Category	Hours		Fees
Business Analysis	3.90	\$	2,961.00
Claims Analysis	1.00		790.00
Committee Member/Professional Meetings & Communications	1.50		1,065.00
Plan and Disclosure Statement	7.10		5,393.00
Retention and Fee Applications	3.90		2,649.00
Total before giving effect to rate discount	17.40		12,858.00
10% discount			(1,285.80)
Total		\$	<u>11,572.20</u>

13. Dundon professionals have expended a total of 17.40 hours in connection with this matter during the Fee Period, as follows:

Time and Fees by Timekeeper
December 1, 2023 through January 31, 2024

Timekeeper	Current Rate	Hours	Amount
Gregory Hill	\$550.00/hr	3.70	\$ 2,035.00
Joshua Nahas	\$790.00/hr	10.30	8,137.00
Rick Wright	\$790.00/hr	3.40	2,686.00
Total before giving effect to rate discount		17.40	12,858.00
10% discount			(1,285.80)
Total			<u>\$ 11,572.20</u>

14. The following are summaries of the more material project categories for Dundon's professional services during the Fee Period:

a. Business Analysis

During the Fee Period Dundon personnel conducted: (i) an analysis of recovery scenarios and value allocation between entities, and (ii) reviewed monthly operating reports filed by the Debtors, among other critical business analysis.

Hours: 3.9 // Fees (before discount): \$2,961.00

b. Committee Member/Professional Meetings & Communications

During the Fee Period Dundon personnel: (i) met frequently (over zoom and/or teleconference), corresponded often over email and worked closely with Committee counsel to develop and prepare case strategy; (ii) participated in regularly scheduled Committee meetings; and (iii) prepared analyses and presentations to support communications with Committee members.

Hours: 1.5 // Fees (before discount): \$1,065.00

c. Claims Analysis

During the Fee Period Dundon personnel reviewed omnibus objection filed.

Hours: 1 // Fees (before discount): \$790.00

d. Plan and Disclosure Statement

During the Fee Period Dundon personnel reviewed and commented on the draft plan of liquidation, disclosure statement and related documents.

Hours: 7.1 // Fees (before discount): \$5,393.00

e. Retention and Fee Applications

During the Fee Period Dundon personnel prepared the October and November combined fee statement.

Hours: 3.9 // Fees (before discount): \$2,649.00

V. NOTICE

Notice of this Application will be served upon each party to whom such notice is required under the Interim Compensation Order.

VI. CONCLUSION

WHEREFORE, Dundon hereby respectfully requests interim allowance of its fees in the amount of \$11,572.20¹ less a twenty percent (20%) holdback in the amount of \$2,314.44 for an immediately payable fee request of \$9,257.76.

Dated: March 19, 2024
Wilmington, Delaware

DUNDON ADVISERS LLC

/s/Rick Wright

Rick Wright

10 Bank Street, Suite 1100

White Plains, NY 10606

Telephone: (917) 881-9937

rw@dundon.com

*Financial Advisor to the Official Committee of
Unsecured Creditors*

¹ As agreed with the Committee, this amount represents a 10% discount from our standard hourly fees.

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

In re:

NVN Liquidation, Inc., *et al.*,
f/k/a NOVAN, INC.,¹

Debtors.

Chapter 11

Case No. 23-10937 (LSS)

(Jointly Administered)

Objection Deadline: April 8, 2024 at 4:00 p.m. (ET)
Hearing: To be determined if objection filed.

**NOTICE OF FOURTH MONTHLY APPLICATION OF
DUNDON ADVISERS LLC, FINANCIAL ADVISOR FOR THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS, FOR COMPENSATION FOR
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED FOR
THE PERIOD FROM DECEMBER 1, 2023, TO JANUARY 31, 2024**

PLEASE TAKE NOTICE that on March 19, 2024, the Official Committee of Unsecured Creditors (the “Committee”) of Novan, Inc., *et al.*, by and through the Committee’s undersigned counsel, filed the *Fourth Monthly Application of Dundon Advisers LLC, Financial Advisor for the Official Committee of Unsecured Creditors, for Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period from December 1, 2023 Through January 31, 2024* (the “Application”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Court’s *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 218] (the “Interim Compensation Order”), objections, if any, to the Application must be filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, and be served upon: (i) counsel for the

¹ The Debtors in these chapter 11 cases, along with the last four digitals of the Debtors’ federal tax identification number (if applicable), are: NVN Liquidation, Inc., (f/k/a Novan, Inc.) (7682) and EPI Health, LLC (9118). The corporate headquarters and the mailing address for the Debtors is P.O. Box 64, Pittsboro, NC 27312

Debtors, Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, P.O. Box 1347, Wilmington, Delaware 19899, Attn: Derek C. Abbott (dabbott@morrisnichols.com) and Daniel B. Butz (dubtz@morrisnichols.com); (ii) counsel to the Committee, (a) Goodwin Procter LLP, The New York Times Building, 620 Eighth Street, New York 10018, Attn: Howard S. Steel (hsteel@goodwinlaw.com), Barry Z. Bazian (bbazian@goodwinlaw.com), Stacy Dasaro (sdasar@goodwinlaw.com); and James Lathrop (jlathrop@goodwinlaw.com) and (b) Womble Bond Dickinson (US) LLP, 1313 North Market Street, Suite 1200, Wilmington, DE 19801, Attn: Donald J. Detweiler (don.detweiler@wbd-us.com), David M. Banker (dbanker@wbd-us.com) and Edward L. Schnitzer (edward.schnitzer@wbd-us.com); and (iii) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware 19801; Attn: Linda J. Casey (linda.casey@usdoj.gov) by no later than **April 8, 2024 at 4:00 p.m. (prevailing Eastern Time)** (the “Objection Deadline”). A hearing on the Application shall be held only in the event timely objections are filed.

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.

Dated: March 19, 2024
Wilmington, Delaware

WOMBLE BOND DICKINSON (US) LLP

/s/ Donald J. Detweiler

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- and-

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jlathrop@goodwinlaw.com

*Counsel to the Official Committee
of Unsecured Creditors*

Exhibit A

Time Detail

Dundon Advisers LLC - Time Entry

Date Start: 12/1/2023 | Date End: 1/31/2024 | Clients: Novan | Matters: | Users: All | Client Type: All | Matter Type: All | Location: All | Billing Method: All | Paid Status: All | Group By: User

User	Date	Client	User	Activity	Description	Billable Time	Hourly Rate	Billable Amt
Gregory Hill	12/14/2023	Novan	Gregory Hill	Retention and Fee Applications	Preparation of combined Oct Nov fee application	1.80	\$550.00/hr	\$990.00
Gregory Hill	01/09/2024	Novan	Gregory Hill	Committee Member/Professional Meetings & Communications	Participated in weekly committee call with professionals from Dundon and Goodwin	0.20	\$550.00/hr	\$110.00
Gregory Hill	01/09/2024	Novan	Gregory Hill	Business Analysis	Updated workplan	0.50	\$550.00/hr	\$275.00
Gregory Hill	01/11/2024	Novan	Gregory Hill	Plan and Disclosure Statement	Review of the trust agreement	0.90	\$550.00/hr	\$495.00
Gregory Hill	01/23/2024	Novan	Gregory Hill	Committee Member/Professional Meetings & Communications	Participated in Committee call with UCC members and professionals from Dundon and Goodwin	0.30	\$550.00/hr	\$165.00
Totals For Gregory Hill						3.70		\$2,035.00
Joshua Nahas	12/06/2023	Novan	Joshua Nahas	Committee Member/Professional Meetings & Communications	Weekly committee call	0.20	\$790.00/hr	\$158.00
Joshua Nahas	12/15/2023	Novan	Joshua Nahas	Plan and Disclosure Statement	Participated telephonically in the DS hearing	0.50	\$790.00/hr	\$395.00
Joshua Nahas	12/18/2023	Novan	Joshua Nahas	Business Analysis	Review and analyze plan revised plan recoveries under various claims scenarios	1.20	\$790.00/hr	\$948.00
Joshua Nahas	12/19/2023	Novan	Joshua Nahas	Claims Analysis	Review and analyze omnibus claims objections	1.00	\$790.00/hr	\$790.00
Joshua Nahas	12/20/2023	Novan	Joshua Nahas	Plan and Disclosure Statement	Review order approving combined plan and DS	0.70	\$790.00/hr	\$553.00
Joshua Nahas	01/09/2024	Novan	Joshua Nahas	Business Analysis	Updated workplan re new workstreams	0.50	\$790.00/hr	\$395.00
Joshua Nahas	01/09/2024	Novan	Joshua Nahas	Plan and Disclosure Statement	Review liquidating trust agreement	0.50	\$790.00/hr	\$395.00
Joshua Nahas	01/11/2024	Novan	Joshua Nahas	Plan and Disclosure Statement	Review redline of plan supplement	0.60	\$790.00/hr	\$474.00
Joshua Nahas	01/17/2024	Novan	Joshua Nahas	Plan and Disclosure Statement	Review amended plan.	0.80	\$790.00/hr	\$632.00
Joshua Nahas	01/20/2024	Novan	Joshua Nahas	Plan and Disclosure Statement	Review MC2 9019 settlement	0.40	\$790.00/hr	\$316.00
Joshua Nahas	01/20/2024	Novan	Joshua Nahas	Business Analysis	Review motion to abandon property	0.50	\$790.00/hr	\$395.00
Joshua Nahas	01/20/2024	Novan	Joshua Nahas	Plan and Disclosure Statement	Review UST objection to plan	0.20	\$790.00/hr	\$158.00
Joshua Nahas	01/22/2024	Novan	Joshua Nahas	Plan and Disclosure Statement	Review plan supplement	1.10	\$790.00/hr	\$869.00
Joshua Nahas	01/22/2024	Novan	Joshua Nahas	Business Analysis	Reviewed EPI monthly operating report	0.60	\$790.00/hr	\$474.00
Joshua Nahas	01/22/2024	Novan	Joshua Nahas	Business Analysis	Reviewed NVN monthly operating report	0.60	\$790.00/hr	\$474.00
Joshua Nahas	01/23/2024	Novan	Joshua Nahas	Committee Member/Professional Meetings & Communications	Participate in weekly UCC meeting	0.30	\$790.00/hr	\$237.00
Joshua Nahas	01/23/2024	Novan	Joshua Nahas	Plan and Disclosure Statement	Review proposed order approving amended disclosure statement	0.60	\$790.00/hr	\$474.00
Totals For Joshua Nahas						10.30		\$8,137.00
Rick Wright	12/06/2023	Novan	Rick Wright	Retention and Fee Applications	Prepared fee statement.	0.30	\$790.00/hr	\$237.00
Rick Wright	12/15/2023	Novan	Rick Wright	Retention and Fee Applications	Prepared October / November combined monthly fee application.	1.80	\$790.00/hr	\$1,422.00
Rick Wright	12/15/2023	Novan	Rick Wright	Plan and Disclosure Statement	Participated (telephonically) in disclosure statement hearing re plan.	0.50	\$790.00/hr	\$395.00
Rick Wright	12/19/2023	Novan	Rick Wright	Committee Member/Professional Meetings & Communications	Participated in a call with the committee re plan.	0.30	\$790.00/hr	\$237.00
Rick Wright	01/09/2024	Novan	Rick Wright	Committee Member/Professional Meetings & Communications	Participated in a call with the committee re liquidating trust.	0.20	\$790.00/hr	\$158.00
Rick Wright	01/09/2024	Novan	Rick Wright	Plan and Disclosure Statement	Reviewed draft liquidating trust agreement.	0.30	\$790.00/hr	\$237.00
Totals For Rick Wright						3.40		\$2,686.00
Grand Total						17.40		\$12,858.00

CERTIFICATE OF SERVICE

I, Donald J. Detweiler, do hereby certify that on March 19, 2024, I caused a copy of the **Fourth Monthly Application of Dundon Advisers LLC, Financial Advisor for the Official Committee of Unsecured Creditors, for Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period from December 1, 2023 Through January 31, 2024** to be served on the parties listed on the attached service list via Electronic Mail.

/s/ Donald J. Detweiler _____

Donald J. Detweiler (DE Bar No. 3087)

SERVICE PARTIES

Counsel to the Debtors

Morris, Nichols, Arsht & Tunnell LLP
Attn: Derek C. Abbott
Daniel B. Butz
1201 N. Market Street, 16th Floor
P.O. Box 1347
Wilmington, Delaware 19899
Email: dabbott@morrisnichols.com
dubtz@morrisnichols.com

**Office of the United States Trustee
for the District of Delaware**

J. Caleb Boggs Federal Building
Attn: Linda J. Casey
844 King Street, Suite 2207
Wilmington, DE 19801
Email: linda.casey@usdoj.gov