

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

In re:

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

Debtors.

Chapter 11

Case No. 23-10937 (LSS)

(Jointly Administered)

Obj. Deadline: June 19, 2024, at 4:00 p.m. (ET)

Hearing Date: June 26, 2024, at 2:00 p.m. (ET)

**FINAL FEE APPLICATION OF MORRIS, NICHOLS, ARSHT & TUNNELL LLP, AS  
BANKRUPTCY COUNSEL FOR THE DEBTORS AND DEBTORS IN POSSESSION,  
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF ALL  
ACTUAL AND NECESSARY EXPENSES INCURRED FOR THE PERIOD  
JULY 17, 2023 THROUGH AND INCLUDING APRIL 30, 2024**

|  |  |
|--|--|
| Name of Applicant:   | MORRIS, NICHOLS, ARSHT & TUNNELL LLP                   |
| Authorized to Provide<br>Professional Services to:                     | Debtors and Debtors in Possession                      |
| Date of Retention:   | August 21, 2023, <i>nunc pro tunc</i> to July 17, 2023 |
| Period for which compensation and<br>reimbursement is sought:          | July 17, 2023 through April 30, 2024                   |
| Amount of compensation sought as<br>actual, reasonable and necessary:  | \$1,906,522.00 <sup>2</sup>                            |
| Amount of reimbursement sought as<br>actual, reasonable and necessary: | \$24,472.38 <sup>3</sup>                               |

<sup>1</sup> These chapter 11 cases are now being administered by the NVN Liquidation, Inc. Liquidating Trust, pursuant to the terms of the *Amended Combined Disclosure Statement and Chapter 11 Plan of Liquidation Proposed by the Debtors* (D.I. 542). The NVN Liquidating Trust's mailing address is NVN Liquidation, Inc. Liquidating Trust c/o Halperin Battaglia Benzija LLP 40 Wall Street, 37th Floor New York, NY 10005 Attention: Alan Halperin, as Liquidating Trustee.

<sup>2</sup> This amount includes an additional \$80,000.00, which reflects Morris Nichols' estimated fees incurred after April 30, 2024 through the remainder of this case. This amount is subject to augmentation based on the fees actually incurred by Morris Nichols. To the extent Morris Nichols' fees exceed this estimate, Morris Nichols may file a supplement to this final fee application.

<sup>3</sup> This amount includes an additional \$2,000.00, which reflects Morris Nichols' estimated expenses incurred after April 30, 2024 through the remainder of this case. This amount is subject to augmentation based on the fees actually incurred by Morris Nichols. To the extent Morris Nichols' fees exceed this estimate, Morris Nichols may file a supplement to this final fee application.



This is a    monthly application   X   final application

If this is not the first application filed, disclose the following for each prior application:

| <b>DATE FILED</b>    | <b>PERIOD COVERED</b> | <b>REQUESTED FEES/EXPENSES</b> | <b>APPROVED FEES/EXPENSES</b> |
|----------------------|-----------------------|--------------------------------|-------------------------------|
| 10/2/23<br>D.I. 331  | 7/17/23-8/31/23       | \$673,834.50/\$16,251.69       | \$671,334.50/\$13,052.46      |
| 10/20/23<br>D.I. 373 | 9/1/23-9/30/23        | \$266,596.50/\$9,208.06        | \$266,596.50/\$2,698.61       |
| 11/30/23<br>D.I. 445 | 10/1/23-10/31/23      | \$159,256.50/\$1,017.29        | \$127,405.20/\$1,017.29       |
| 2/5/24<br>D.I. 580   | 11/1/23-11/30/23      | \$140,973.00/\$765.90          | \$112,778.40/\$765.90         |
| 2/5/24<br>D.I. 581   | 12/1/23-12/31/23      | \$144,905.00/\$1,321.26        | \$115,924.00/\$1,321.26       |
| 4/19/24<br>D.I. 671  | 1/1/24-1/31/24        | \$231,977.00/\$2,705.06        | \$185,581.60/\$2,705.06       |
| 5/9/24<br>D.I. 680   | 2/1/24-2/29/24        | \$122,473.00/\$681.90          | Pending                       |
| 5/10/24<br>D.I. 682  | 3/1/24-3/31/24        | \$30,200.00/\$18.90            | Pending                       |
| 5/14/24<br>D.I. 685  | 4/1/24-4/30/24        | \$58,806.50/\$211.00           | Pending                       |

**FINAL COMPENSATION BY PROFESSIONAL****NVN Liquidation, Inc., et al.  
(Case No. 23-10937 (LSS))****July 17, 2023 through April 30, 2024**

| <b>Name of Professional</b> | <b>Position of the Applicant, Area of Expertise, Number of Years in that Position, Year of Obtaining License to Practice</b> | <b>Hourly Billing Rate</b> | <b>Total Billed Hours</b> | <b>Total Compensation</b> |
|-----------------------------|--|----------------------------|---------------------------|---------------------------|
| Derek C. Abbott             | Partner/Bankruptcy. Partner since 2003. Joined firm as an associate in 1995. Member of the DE Bar since 1995.                | 1,255                      | 152.5                     | 191,387.50                |
|                             |  | 1,350                      | 16.6                      | 22,410.00                 |
| Donna L. Culver             | Partner/Bankruptcy. Partner since 1999. Joined firm as an associate in 1991. Member of the DE Bar since 1991.                | 1,075                      | 0.8                       | 860.00                    |
| Jason Russell               | Partner/Commercial. Partner since 2016. Joined firm as an associate in 2007. Member of the DE Bar since 2007.                | 995                        | 4.2                       | 4,179.00                  |
| Daniel B. Butz              | Senior Counsel/Bankruptcy. Joined the firm as an associate in 2002. Member of the DE Bar since 2002.                         | 915                        | 621.7                     | 568,855.50                |
|                             |  | 965                        | 248.4                     | 239,706.00                |
| Tamara K. Mann              | Special Counsel/Bankruptcy. Joined the firm as an associate in 2011. Member of the DE Bar since 2011.                        | 855                        | 244.6                     | 209,133.00                |
|                             |  | 965                        | 67.3                      | 64,944.50                 |
| Paige N. Topper             | Associate/Bankruptcy. Joined the firm as an associate in 2017. Member of the DE Bar since 2017.                              | 710                        | 10.4                      | 7,384.00                  |
| Scott D. Jones              | Associate/Bankruptcy. Joined the firm as an associate in 2023. Member of the DE Bar since 2019.                              | 625                        | 547.4                     | 342,125.00                |
|                             |  | 710                        | 97.0                      | 68,870.00                 |
| Hallie C. Snyder Sacchetta  | Associate/Corporate Counseling. Joined the firm as an associate in 2019. Member of the DE Bar since 2019.                    | 625                        | 1.0                       | 625.00                    |
| Casey B. Sawyer             | Associate/Bankruptcy. Joined the firm as an associate in 2023. Member of the DE Bar since 2023.                              | 545                        | 43.0                      | 23,435.00                 |

| <b>Name of Professional</b>            | <b>Position of the Applicant, Area of Expertise, Number of Years in that Position, Year of Obtaining License to Practice</b> | <b>Hourly Billing Rate</b> | <b>Total Billed Hours</b> | <b>Total Compensation</b> |
|--|--|----------------------------|---------------------------|---------------------------|
| Austin Park                            | Associate/Bankruptcy. Joined the firm as an associate in 2023. Member of the DE Bar since 2023.                              | 505                        | 9.4                       | 4,747.00                  |
|  |  | 545                        | 5.1                       | 2,779.50                  |
| Echo Qian                              | Associate/Bankruptcy. Joined the firm as a Certified Limited Practice Licensee in 2023.                                      | 505                        | 3.1                       | 1,565.50                  |
| Evanthea Hammer                        | Associate/Bankruptcy. Joined the firm as an associate in 2022. Member of the DE Bar since 2022.                              | 505                        | 1.2                       | 606.00                    |
| Byron Poland                           | Litigation Support   | 395                        | 3.4                       | 1,343.00                  |
| Desiree M. Vale                        | Paralegal  | 375                        | 25.9                      | 9,712.50                  |
|  |  | 395                        | 11.2                      | 4,424.00                  |
| John J. Lawrence                       | Paralegal  | 375                        | 8.4                       | 3,150.00                  |
|  |  | 395                        | 4.5                       | 1,777.50                  |
| Rebecca Weidman                        | Paralegal  | 375                        | 94.5                      | 35,437.50                 |
|  |  | 395                        | 33.4                      | 13,193.00                 |
| Cherie L. Hare                         | Legal Assistant  | 355                        | 1.0                       | 355.00                    |
| Wel Freeman                            | Legal Assistant  | 355                        | 1.8                       | 639.00                    |
| Valerie Walker                         | Legal Assistant  | 355                        | 10.7                      | 3,798.50                  |
| Marie Reed                             | Legal Assistant  | 355                        | 3.6                       | 1,278.00                  |
| Alyson D. Poppiti                      | Paralegal  | 335                        | 0.9                       | 301.50                    |
| <b>Sub-Total</b>                       |  |                            | <b>2,273.0</b>            | <b>\$1,829,022.00</b>     |
| <b>Voluntary Reduction</b>             |  |                            |                           | <b>\$2,500.00</b>         |
| <b>Post-Effective Estimate</b>         |  |                            |                           | <b>\$80,000.00</b>        |
| <b>TOTAL</b>                           |  |                            |                           | <b>\$1,906,522.00</b>     |
| <b>BLENDED RATE: \$804.67</b>          |  |                            |                           |                           |
| <b>ATTORNEY BLENDED RATE: \$845.64</b> |  |                            |                           |                           |

**FINAL COMPENSATION BY PROJECT CATEGORY**

**NVN Liquidation, Inc., et al.**  
**(Case No. 23-10937 (LSS))**

**July 17, 2023 through April 30, 2024**

| <b>Project Category</b>                  | <b>Total Hours</b> | <b>Total Fees</b> |
|--|--------------------|-------------------|
| Case Administration                      | 131.2              | 97,370.50         |
| Asset Analysis and Recovery              | 25.5               | 24,253.50         |
| Asset Dispositions/363 Sales             | 494.9              | 429,951.00        |
| Automatic Stay Matters                   | 2.6                | 2,341.00          |
| Creditor Communications and Meetings     | 37.5               | 31,464.00         |
| Fee Applications (MNAT - Filing)         | 61.4               | 37,744.00         |
| Fee Applications (Others - Filing)       | 68.7               | 40,581.50         |
| Fee Applications (MNAT - Objections)     | 3.0                | 2,087.00          |
| Fee Applications (Other - Objections)    | 0.2                | 183.00            |
| Executory Contracts/Unexpired Leases     | 88.9               | 69,577.50         |
| Other Contested Matters                  | 89.7               | 79,681.50         |
| Governmental/Regulatory Matters          | 39.9               | 37,672.00         |
| Employee Matters                         | 43.6               | 39,287.50         |
| Financing Matters/Cash Collateral        | 120.0              | 104,013.50        |
| Tax Matters                              | 11.3               | 9,616.50          |
| Real Estate Matters                      | 0.2                | 183.00            |
| Insurance Matters                        | 6.2                | 4,600.00          |
| Utility Matters                          | 13.9               | 10,168.50         |
| Vendor/Supplier Matters                  | 13.5               | 11,947.50         |
| Court Hearings                           | 227.9              | 153,453.50        |
| Claims Objections and Administration     | 110.9              | 80,566.50         |
| Plan and Disclosure Statement            | 374.0              | 328,841.00        |
| Litigation/Adversary Proceedings         | 79.0               | 60,860.00         |
| Professional Retention (MNAT - Filing)   | 26.8               | 16,576.50         |
| Professional Retention (Others - Filing) | 51.9               | 35,186.00         |

| <b>Project Category</b>                                    | <b>Total Hours</b> | <b>Total Fees</b>     |
|--|--------------------|-----------------------|
| Professional Retention (Others - Objections)               | 5.7                | 3,792.50              |
| General Corporate Matters (including Corporate Governance) | 9.8                | 8,119.00              |
| General Case Strategy                                      | 69.8               | 57,937.00             |
| Schedules/SOFA/U.S. Trustee Reports                        | 64.7               | 50,860.50             |
| Intellectual Property and Asset Review                     | 0.3                | 106.50                |
| <b>Sub-Total</b>   | <b>2,273.0</b>     | <b>\$1,829,022.00</b> |
| <b>Voluntary Reduction</b>                                 |                    | <b>\$2,500.00</b>     |
| <b>Post-Effective Estimate</b>                             |                    | <b>\$80,000.00</b>    |
| <b>TOTAL</b>   |                    | <b>\$1,906,522.00</b> |

**FINAL EXPENSE SUMMARY**

**NVN Liquidation, Inc., et al.**  
**(Case No. 23-10937 (LSS))**

**July 17, 2023 through April 30, 2024**

| <b>Expense Category</b>           | <b>Total Expenses</b> |
|-----------------------------------|-----------------------|
| Pacer                             | 921.60                |
| In-House Printing - color         | 6,853.60              |
| In-House Printing - black & white | 3,634.40              |
| Messenger Service                 | 80.00                 |
| Secretarial Overtime              | 89.51                 |
| In-House Duplicating - color      | 122.40                |
| Courier/Delivery Service          | 747.83                |
| Transcripts                       | 4,715.30              |
| Court Costs                       | 3,920.00              |
| Travel                            | 19.00                 |
| In-House Duplicating              | 207.20                |
| E-Discovery                       | 6.05                  |
| Paralegal Overtime                | 82.60                 |
| Meals                             | 379.29                |
| Secretary of State Fees           | 273.00                |
| Computer Research - Westlaw       | 420.60                |
| <b>Sub-Total Expenses</b>         | <b>\$22,472.38</b>    |
| <b>Post-Effective Estimate</b>    | <b>\$2,000.00</b>     |
| <b>Total Expenses</b>             | <b>\$24,472.38</b>    |

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

In re:

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

Chapter 11

Case No. 23-10937 (LSS)

(Jointly Administered)

**Obj. Deadline: June 19, 2024, at 4:00 p.m. (ET)**

**Hearing Date: June 26, 2024, at 2:00 p.m. (ET)**

**FINAL FEE APPLICATION OF MORRIS, NICHOLS, ARSHT & TUNNELL LLP, AS  
BANKRUPTCY COUNSEL FOR THE DEBTORS AND DEBTORS IN POSSESSION,  
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF ALL  
ACTUAL AND NECESSARY EXPENSES INCURRED FOR THE PERIOD  
JULY 17, 2023 THROUGH AND INCLUDING APRIL 30, 2024**

Morris, Nichols, Arsht & Tunnell LLP (“Morris Nichols”), as bankruptcy counsel for the debtors and debtors in possession in the above-captioned cases (the “Debtors”), submit this application (the “Application”) for (i) final allowance of compensation for professional services rendered by Morris Nichols to the Debtors for the period of July 17, 2023 through April 30, 2024 (the “Final Application Period”) and (ii) final reimbursement of actual and necessary expenses incurred by Morris Nichols during the Final Application Period pursuant to sections 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), and the *Order Establishing Procedures for Interim Compensation and*

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<sup>1</sup> These chapter 11 cases are now being administered by the NVN Liquidation, Inc. Liquidating Trust, pursuant to the terms of the *Amended Combined Disclosure Statement and Chapter 11 Plan of Liquidation Proposed by the Debtors* (D.I. 542). The NVN Liquidating Trust’s mailing address is NVN Liquidation, Inc. Liquidating Trust c/o Halperin Battaglia Benzija LLP 40 Wall Street, 37th Floor New York, NY 10005 Attention: Alan Halperin, as Liquidating Trustee.



*Reimbursement of Expenses of Professionals* (D.I. 218) (the “Interim Compensation Procedures Order”). In support of this Application, Morris Nichols represents as follows:

### **JURISDICTION**

1. This Court has jurisdiction to consider 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 is a core proceeding under 28 U.S.C. § 157(b)(2). Venue of these cases and the Application are proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are sections 330 and 331 of the Bankruptcy Code, as supplemented by Bankruptcy Rule 2016, Local Rule 2016-2, the Office of the United States Trustee Guidelines (the “U.S. Trustee Guidelines”), and the Interim Compensation Procedures Order.

### **BACKGROUND**

3. On July 17, 2023 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in this Court. The Debtors continue to manage their assets as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

4. On July 28, 2023, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an Official Committee of Unsecured Creditors (the “Committee”).

### **MORRIS NICHOLS’S RETENTION**

5. Before commencing these chapter 11 cases, the Debtors retained Morris Nichols to provide advice regarding, among other things, preparing for, commencing, and prosecuting these cases under chapter 11 of the Bankruptcy Code. On July 31, 2023, the Debtors

filed the *Debtors' Application for Entry of an Order Under 11 U.S.C. §§ 327(a), 328(a), and 1107(b), Fed. R. Bankr. P. 2014 and 2016, and Del. Bankr. L.R. 2014-1 and 2016-1, Authorizing Retention and Employment of Morris, Nichols, Arsht & Tunnell LLP as Bankruptcy Counsel for the Debtors Nunc Pro Tunc to the Petition Date* (D.I. 84) (the "Morris Nichols Retention Application").

6. On August 21, 2023, this Court granted the Morris Nichols Retention Application pursuant to the *Order Authorizing the Retention and Employment of Morris, Nichols, Arsht & Tunnell LLP as Bankruptcy Counsel for the Debtors Nunc Pro Tunc to the Petition Date* (D.I. 219) (the "Morris Nichols Retention Order").

#### **INTERIM COMPENSATION PROCEDURES ORDER**

7. The Court entered the Interim Compensation Procedures Order on August 21, 2023. The Interim Compensation Procedures Order sets forth the procedures for interim compensation and reimbursement of expenses for any professionals retained under section 327 and/or 1103 of the Bankruptcy Code in these chapter 11 cases (each a "Professional" and collectively, the "Professionals").

8. In particular, the Interim Compensation Procedures Order provides that upon the earlier of the conclusion of a Professional's employment by the Debtors and confirmation of a chapter 11 plan, such Professional shall file a final fee application (the "Final Application" and together with the Interim Applications, the "Applications") seeking final Court approval of the compensation and reimbursement of expenses requested during these chapter 11 cases. All fees paid and expenses reimbursed to a Professional under these Compensation Procedures are subject to disgorgement until final allowance by the Court. The Court, in its discretion, may approve an uncontested Final Application without the need for a hearing upon the filing of an appropriate

CNO. Upon allowance by the Court of a Professional's Final Application, the Debtors shall promptly pay such Professional all requested fees and expenses not previously paid.

### **CHAPTER 11 PLAN**

9. On January 26, 2024 (the "Confirmation Date"), the Court entered the *Order (I) Approving Amended Combined Disclosure Statement and Chapter 11 Plan of Liquidation Proposed by the Debtors as Containing Adequate Information on a Final Basis and (II) Confirming Combined Disclosure Statement and Chapter 11 Plan of Liquidation Proposed by the Debtors* (D.I. 568) (the "Confirmation Order"), thereby confirming the *Amended Combined Disclosure Statement and Chapter 11 Plan of Liquidation Proposed by the Debtors*, dated January 26, 2024 (D.I. 568-1) (together with the Plan Supplement (D.I. 522) including the amendment thereto (D.I. 543), the "Plan"). The Plan became effective on April 30, 2024.

10. Pursuant to the Plan and the Confirmation Order, the deadline for Professionals to file final applications for compensation for services rendered or reimbursement of expenses, is May 30, 2024.

### **RELIEF REQUESTED**

11. Morris Nichols submits this Application for (a) final allowance of reasonable compensation for the actual, reasonable, and necessary professional services that it has rendered as bankruptcy counsel for the Debtors in these cases during the Final Application Period and (b) final reimbursement of actual, reasonable, and necessary expenses incurred by Morris Nichols in representing the Debtors during the Final Application Period.

12. Morris Nichols seeks allowance of \$1,826,522.00, for actual, reasonable, and necessary legal services rendered to the Debtor during the Final Application Period, plus \$80,000.00 for estimated time incurred after the Effective Date, and \$22,472.38 as reimbursement

of actual, reasonable, and necessary expenses incurred in connection with the rendition of such services during the Final Application Period, plus \$2,000.00 for estimated expenses incurred after the Effective Date. Detailed descriptions of the services rendered and expenses incurred by Morris Nichols during the Final Application Period were set forth on Exhibits A and B, respectively, on the monthly fee applications filed by Morris Nichols in these chapter 11 cases. Morris Nichols requests that the Liquidating Trustee be authorized and directed to pay Morris Nichols an amount equal to the sum of the allowed compensation and expense reimbursement during the Final Application Period, less any amounts previously paid by the Debtors.

**NOTICE**

13. Morris Nichols has provided notice of the Application to: (a) the Liquidating Trust; (b) counsel to the Liquidating Trust; (c) the United States Trustee for the District of Delaware; and (d) any other party that has requested notice pursuant to Local Rule 2002-1(b). Morris Nichols submits that no other or further notice need be provided.

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WHEREFORE, Morris Nichols respectfully requests that this Court (a) allow Morris Nichols (i) final compensation in the amount of \$1,826,522.00 for actual, reasonable, and necessary services rendered to or on behalf of the Debtors during the Final Application Period plus \$80,000 for estimated fees incurred after the Effective Date, and (ii) final reimbursement of \$22,472.38 for actual, reasonable, and necessary expenses incurred during the Final Application Period plus \$2,000.00 for estimated expenses incurred after the Effective Date; and (b) authorize and direct the Liquidating Trust to pay Morris Nichols an amount equal to the sum of such allowed compensation and reimbursement, less any amounts previously paid by the Debtors, and subject to the provisions of the Plan; and (c) grant such other relief as the Court deems just and proper.

Dated: May 30, 2024  
Wilmington, Delaware

Respectfully submitted,

/s/ Scott D. Jones

**MORRIS, NICHOLS, ARSHT & TUNNELL LLP**

Derek C. Abbott (No. 3376)

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*Counsel to the Debtors and Debtors in Possession*