

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

_____)
)
In re:) Chapter 11
)
Prodigy Investment Holdings, Inc.,¹) Case No. 23-11120 (BLS)
)
) (Jointly Administered)
)
Reorganized Debtor.)
_____) **Objection Deadline:** May 20, 2024,
4:00 pm
Hearing Date: June 12, 2024, 11:00 am

**FINAL FEE APPLICATION OF KPMG LLP PROVIDING AUDIT AND TAX
RESTRUCTURING SERVICES TO THE DEBTORS AND REQUESTING
FINAL ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AND REIMBURSEMENT OF EXPENSES INCURRED
FOR THE PERIOD OF AUGUST 7, 2023 THROUGH MARCH 13, 2024**

Name of Applicant: KPMG LLP

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

Date of Retention: October 27, 2023, *effective as of*
the Petition Date

Period for which compensation and reimbursement is sought: August 7, 2023 through March 13, 2024

Amount of Compensation sought as actual, reasonable, and necessary: \$ 2,819,683.50²

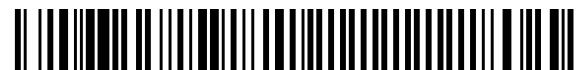
Amount of Expense Reimbursement sought as actual, reasonable, and necessary: \$ 6,090.26³

This is a: _____ Monthly _____ Interim X Final Application

¹ The Reorganized Debtor in this chapter 11 case, along with the last four digits of the Reorganized Debtor's federal tax identification number, is: Prodigy Investments Holdings, Inc. (9565). The location of the Reorganized Debtor's service address is: 3350 Virginia St., 2nd Floor, Miami, FL 33133.

² The Compensation amount requested reflects the reductions agreed upon with the Fee Examiner related to the First and Second Interim Periods.

³ Expenses requested reflect the reduction agreed upon with the Fee Examiner related to the First Interim Period.



Prior Interim Applications						
Period	Date Filed / Docket Number	Total Fees	Total Expenses	Total Requested	Interim Fees Approved	Interim Expenses Approved
08/07/23-10/31/23	12/15/23 D.I. 729	\$ 1,757,710.00	\$4,454.74	\$ 1,763,189.54	\$ 1,723,532.00	\$ 4,412.74
11/01/23-01/31/24	03/18/24 D.I. 1214	\$ 1,030,608.00	\$1,164.77	\$ 1,031,772.77	\$ 1,015,249.50	\$ 1,164.77
Total		\$ 2,788,318.00	\$5,619.51	\$ 2,794,962.31	\$ 2,738,781.50	\$ 5,577.51

Monthly Fee Applications Filed				
Period	Date Filed	Docket Number	Total Fees	Total Expenses
08/07/23 - 09/30/23	11/16/23	542	\$ 1,006,815.70	\$ 3,096.45
10/01/23 - 10/31/23	12/06/23	688	\$ 750,894.30	\$ 1,358.29
11/01/23 - 11/30/23	02/01/24	967	\$ 753,127.00	\$ 1,024.80
12/01/23 - 12/31/23	02/16/24	1074	\$ 192,253.00	\$ 139.97
01/01/24 - 01/31/24	03/07/24	1185	\$ 85,228.00	\$ -
02/01/24 - 03/13/24	04/10/24	1263	\$ 80,902.00 ⁴	\$ 512.75
Total			\$ 2,869,220.00	\$ 6,132.26

⁴ Amounts pending based on Fee Examiner review and subsequent court approval.

ATTACHMENT B
TO FEE APPLICATION

COMPENSATION BY PROFESSIONAL

Professional Person	Position & Department	Total Billed Hours	Hourly Billing Rate	Total Compensation
Aden Cohen	Associate - Audit	447.8	\$ 250	\$ 111,950.00
Alan Carpenter	Manager - M&A Tax	7.3	\$ 1,000	\$ 7,300.00
Alex Scofield	Senior Associate - M&A Tax	21.9	\$ 760 ¹	\$ 16,644.00
Alex Scofield	Associate - M&A Tax	6.9	\$ 460	\$ 3,174.00
Andrew Olson	Managing Director - Tax	1.9	\$ 1,200	\$ 2,280.00
Andy Mulligan	Senior Manager - EVS	8.0	\$ 550	\$ 4,400.00
Anna Heyne	Senior Associate - Audit	2.1	\$ 552 ²	\$ 1,159.20
Anna Heyne	Senior Associate - Audit	397.9	\$ 350 ²	\$ 139,265.00
Antoine Bedard	Senior Associate - M&A Tax	5.6	\$ 760 ¹	\$ 4,218.00
Antoine Bedard	Associate - M&A Tax	112.4	\$ 460	\$ 51,704.00
Becky Biwer	Senior Associate - M&A Tax	21.6	\$ 760 ¹	\$ 16,416.00
Becky Biwer	Associate - M&A Tax	112.0	\$ 460	\$ 51,497.00
Bela Unell	Partner - Washington National Tax	3.2	\$ 1,380	\$ 4,416.00
Bradley Lancy	Managing Director - Advisory	6.1	\$ 920	\$ 5,612.00
Bradley Nemeth	Director - Advisory	0.3	\$ 550	\$ 165.00
Brian Monahan	Manager - Audit	0.4	\$ 650 ²	\$ 260.00
Brian Monahan	Manager - Audit	85.0	\$ 400 ²	\$ 34,000.00
Celeste Campbell	Manager - Bankruptcy	38.4	\$ 340	\$ 13,056.00
Charina Delda	Manager - Audit	16.2	\$ 400	\$ 6,480.00
Chien Wang	Senior Associate - Audit	85.4	\$ 350	\$ 29,890.00
Christopher Hurd	Director - Advisory	1.2	\$ 550	\$ 660.00
Connor Pratt	Senior Associate - Tax	17.1	\$ 760	\$ 12,958.00
David Konop	Principal - EVS	1.1	\$ 675	\$ 742.50
David Yanchik	Managing Director - Tax	56.0	\$ 1,080	\$ 60,480.00
Deanna Tsan	Associate - Audit	12.3	\$ 425 ²	\$ 5,227.50
Deanna Tsan	Associate - Audit	171.4	\$ 250 ²	\$ 42,850.00
Dennis Rothman	Partner - Audit	0.7	\$ 875	\$ 612.50
Doron Rotman	Managing Director - Tech Assurance Audit	17.8	\$ 580	\$ 10,324.00
Ed Chiosso	Partner - Audit	0.3	\$ 875	\$ 262.50
Eirene Alexander	Senior Associate - Tax	4.0	\$ 760	\$ 3,040.00
Elena Byalik	Managing Director - Audit	0.5	\$ 600	\$ 300.00
Elizabeth Dyor	Managing Director - Washington National Tax	0.1	\$ 1,280	\$ 128.00

ATTACHMENT B
TO FEE APPLICATION
(continued)

COMPENSATION BY PROFESSIONAL

Professional Person	Position & Department	Total Billed Hours	Hourly Billing Rate	Total Compensation
Eric Goldberg	Partner - Audit DPP	0.5	\$ 1,025	\$ 512.50
Evan Sebio	Associate - Tax	0.6	\$ 460	\$ 276.00
Gabe De La Rosa	Partner - Audit	1.9	\$ 875	² \$ 1,662.50
Gabe De La Rosa	Partner - Audit	14.3	\$ 550	² \$ 7,865.00
Griffin Brewster	Senior Associate - Audit	108.6	\$ 350	\$ 37,992.50
Hillary Downey	Director - Tech Assurance Audit	63.8	\$ 550	\$ 35,090.00
James Horton	Managing Director - Audit DPP	0.1	\$ 1,025	\$ 102.50
Jane Murray	Senior Manager - Audit	1.0	\$ 980	² \$ 980.00
Jane Murray	Senior Manager - Audit	1.2	\$ 875	² \$ 1,050.00
Jessica Withers	Senior Associate - Audit	35.7	\$ 350	\$ 12,495.00
Jim Carreon	Principal - M&A Tax	16.0	\$ 1,280	\$ 20,480.00
Jim Kuhl	Senior Manager - Tax	12.7	\$ 1,100	\$ 13,970.00
Jim Mintert	Partner - Audit	1.5	\$ 1,025	\$ 1,537.50
Joe Murante	Senior Associate - Tax	22.4	\$ 760	\$ 16,986.00
Juanita Garza	Senior Associate, Bankruptcy	11.5	\$ 280	\$ 3,220.00
Julia Durrance	Senior Manager - M&A Tax	56.8	\$ 1,100	¹ \$ 62,480.00
Julia Durrance	Manager - M&A Tax	72.4	\$ 1,000	\$ 72,400.00
Karen Erickson	Manager - Tax Tech Practices	1.0	\$ 340	\$ 340.00
Kati Walker	Senior Associate - Audit	41.4	\$ 350	\$ 14,490.00
Kelly O'Leary	Senior Associate - Audit	226.6	\$ 350	\$ 79,310.00
Ken Grapperhaus	Partner - Audit	1.3	\$ 675	\$ 877.50
Kyle Cruz	Associate - M&A Tax	0.9	\$ 460	\$ 414.00
Lara Delfino	Manager - M&A Tax	9.1	\$ 1,000	\$ 9,100.00
Leigh Pagliaro	Manager - Tax	19.8	\$ 1,000	\$ 19,800.00
Leigh Shoenberger	Manager - Tax	76.0	\$ 1,000	\$ 76,000.00
Lyndsey Insani	Senior Associate - Tax	2.5	\$ 760	\$ 1,900.00
Lynn Lin	Manager - Audit	5.5	\$ 650	² \$ 3,575.00
Lynn Lin	Manager - Audit	227.5	\$ 400	² \$ 91,000.00
Maddie Jessup	Associate - Audit	60.1	\$ 250	\$ 15,025.00
Maggie Lawler	Senior Manager - Audit	27.0	\$ 728	² \$ 19,656.00
Maggie Lawler	Senior Manager - Audit	259.2	\$ 455	² \$ 117,936.00
Manoj Ramachandran S	Senior Manager - Audit	11.2	\$ 455	\$ 5,096.00

ATTACHMENT B
TO FEE APPLICATION
(continued)

COMPENSATION BY PROFESSIONAL

Professional Person	Position & Department	Total Billed Hours	Hourly Billing Rate		Total Compensation
Mark Goshgarian	Managing Director - EVS	2.0	\$ 1,280		\$ 2,560.00
Mark Hoffenberg	Principal - Washington National Tax	4.0	\$ 1,380		\$ 5,520.00
Mary Beth Hawkes	Manager - Tax	4.9	\$ 1,000		\$ 4,900.00
Matthew Drucker	Partner - Audit	1.0	\$ 1,025		\$ 1,025.00
Max Klaunig	Associate - M&A Tax	70.9	\$ 460		\$ 32,614.00
Memory Liang	Director - Advisory	17.4	\$ 832		\$ 14,476.80
Michael Pierce	Partner - Audit DPP	0.3	\$ 1,025		\$ 307.50
Michele Russomanno	Managing Director - Audit DPP	0.8	\$ 980		\$ 784.00
Moe Abdeljalil	Partner - M&A Tax	15.0	\$ 1,280		\$ 19,200.00
Pat Anderson	Manager - Audit	1.2	\$ 650	²	\$ 780.00
Pat Anderson	Manager - Audit	242.8	\$ 400	²	\$ 97,120.00
Patricia Anne Dela Rosa	Manager - Audit	17.5	\$ 650	^{1,2}	\$ 11,375.00
Patricia Anne Dela Rosa	Manager - Audit	194.2	\$ 400	^{1,2}	\$ 77,680.00
Patricia Anne Dela Rosa	Senior Associate - Audit	97.5	\$ 350		\$ 34,125.00
Raechel Wagner	Manager - BTS	4.0	\$ 475	¹	\$ 1,900.00
Raechel Wagner	Senior Associate, Tax	0.5	\$ 350		\$ 175.00
Rebecca Lo	Senior Associate - Audit	258.2	\$ 350		\$ 90,370.00
Regan Fuerst	Manager - Tax	1.2	\$ 1,000		\$ 1,200.00
Riley Yeomans	Senior Associate - Audit	55.8	\$ 350		\$ 19,530.00
Rob Galloway	Associate - Tax	60.9	\$ 460		\$ 28,014.00
Robin Muncy	Manager - M&A Tax	179.7	\$ 1,000	¹	\$ 179,700.00
Robin Muncy	Senior Associate - M&A Tax	104.2	\$ 760		\$ 79,192.00
Sam Oswald	Senior Associate - Audit	97.5	\$ 350		\$ 34,125.00
Sam Tyrrell	Associate - Audit	97.3	\$ 250		\$ 24,325.00
Scott Salmon	Partner - Tax	13.0	\$ 1,380		\$ 17,940.00
Shoko Takase	Senior Associate - Audit	109.0	\$ 350		\$ 38,150.00
Stan Harvell	Managing Director - Audit	1.0	\$ 825	²	\$ 825.00
Stan Harvell	Managing Director - Audit	122.4	\$ 525	²	\$ 64,260.00
Stephanie Kushner	Managing Director - Tax	1.1	\$ 1,200	²	\$ 1,320.00
Stephanie Kushner	Managing Director - Tax	4.4	\$ 600	²	\$ 2,640.00
Steven Friedman	Director - Washington National Tax	0.5	\$ 1,100		\$ 550.00
Steven Morgan	Partner - Audit	20.6	\$ 875	²	\$ 18,025.00

ATTACHMENT B
TO FEE APPLICATION
(continued)

COMPENSATION BY PROFESSIONAL

Professional Person	Position & Department	Total Billed Hours	Hourly Billing Rate	Total Compensation
Steven Morgan	Partner - Audit	187.9	\$ 550 ²	\$ 103,345.00
Susan Ragano	Senior Manager - Audit	0.5	\$ 728 ²	\$ 364.00
Susan Ragano	Senior Manager - Audit	6.6	\$ 455 ²	\$ 3,003.00
Sushant Kodiyal	Manager, Tech Assurance Audit	126.2	\$ 470	\$ 59,314.00
Teresa Williams	Associate, Bankruptcy	313.8	\$ 240	\$ 75,312.00
Thomas Carroll Carroll	Senior Manager - M&A Tax	42.1	\$ 1,100	\$ 46,310.00
Tom Carroll	Senior Manager - M&A Tax	108.5	\$ 1,100	\$ 119,350.00
Tom Mooney	Partner - Audit	0.3	\$ 1,025	\$ 307.50
Tracy Stone	Principal - Washington National Tax	1.0	\$ 1,380	\$ 1,380.00
Walter Kim	Senior Associate - Audit	44.0	\$ 350	\$ 15,400.00
Wei Chen	Senior Associate - Tax	8.0	\$ 450	\$ 3,600.00
Wendy Shaffer	Associate Director, Bankruptcy	17.5	\$ 380	\$ 6,650.00
Yinka Kukoyi	Partner - M&A Tax	37.8	\$ 1,380	\$ 52,164.00
Yoon Bae Seo	Associate - Audit	178.4	\$ 255	\$ 45,492.00
Zaya Shahbaz Arami	Associate - Tech Assurance Audit	186.0	\$ 255	\$ 47,430.00
Total Discounted Hours and Fees		6,112.2		\$ 2,869,220.00
Less Agreed Upon Reduction (Fees) - 1st Interim Period				\$ (34,178.00)
Less Agreed Upon Reduction (Fees) - 2nd Interim Period				\$ (15,358.50)
Total Requested Fees				\$ 2,819,683.50
Total Out of Pocket Expenses				\$ 6,132.26
Less Agreed Upon Reduction (Expenses) - 1st Interim Period				\$ (42.00)
Total Requested Expenses				\$ 6,090.26
Net Requested Fees & Out of Pocket Expenses				\$ 2,825,773.76
Blended Hourly Rate			\$ 461.32 ³	

¹ Rate increased due to promotion effective October 1, 2023.

² Rates vary by service as per the Engagement Letters included in KPMG's Retention Application [D.I. 356].

³ Blended Hourly Rate calculated based on fees with agreed upon reductions factored in.

ATTACHMENT B
TO FEE APPLICATION
 (continued)

COMPENSATION BY PROJECT CATEGORY

Category	Total Billed Hours	Total Fees Requested
2023 Audit Services	4,293.2	\$ 1,555,430.00
Tax Restructuring Services	1,308.9	\$ 1,122,051.50
Audit - Out of Scope Services	118.9	\$ 88,467.00
Retention Services	17.6	\$ 7,334.00
Fee Application Preparation Services	373.6	\$ 95,937.50
Subtotal of Fees	6,112.2	\$ 2,869,220.00
Less Agreed Upon Reduction - 1st Interim Period		\$ (34,178.00)
Less Agreed Upon Reduction - 2nd Interim Period		\$ (15,358.50)
Total Requested Fees		\$ 2,819,683.50

EXPENSE SUMMARY

Category	Amount
Airfare	\$ 2,113.08
Lodging	\$ 1,655.92
Meals	\$ 507.88
Ground Transportation	\$ 935.90
Miscellaneous	\$ 919.48
Subtotal of Expenses	\$ 6,132.26
Less agreed Upon Reduction - 1st Interim Period	\$ (42.00)
Less agreed Upon Reduction - 2nd Interim Period	\$ 0.00
Total Expenses Requested	\$ 6,090.26

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

)	
)	
In re:	)	Chapter 11
)	
Prodigy Investment Holdings, Inc., ¹	)	Case No. 23-11120 (BLS)
)	
Reorganized Debtor.	)	(Jointly Administered)
)	
	)	Objection Deadline: May 20, 2024 at 4:00 p.m. (ET)
	)	Hearing Date: June 12, 2024 at 11:00 a.m. (ET)

**FINAL FEE APPLICATION OF KPMG LLP PROVIDING AUDIT AND TAX
RESTRUCTURING SERVICES TO THE DEBTORS AND REQUESTING
FINAL ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AND REIMBURSEMENT OF EXPENSES INCURRED
FOR THE PERIOD OF AUGUST 7, 2023 THROUGH MARCH 13, 2024**

KPMG LLP (“KPMG”), as audit and tax restructuring service providers to the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) hereby files this Final Fee Application (the “Application”), pursuant to sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§101–1532 (the “Bankruptcy Code”), Rule 2014 and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 2014-1 and 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 that certain *Order (I) Authorizing and Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, and (II) Granting Related Relief*, dated September 5, 2023 (the “Interim Compensation Order”) [Docket No. 188]. By this Application, KPMG seeks final allowance of compensation for professional services performed and actual and necessary expenses incurred by KPMG for the period from August 7, 2023 through and including March

¹ The Reorganized Debtor in this chapter 11 case, along with the last four digits of the Reorganized Debtor’s federal tax identification number, is: Prodigy Investments Holdings, Inc. (9565). The location of the Reorganized Debtor’s service address is: 3350 Virginia St., 2nd Floor, Miami, FL 33133.

13, 2024 (the “Final Compensation Period”), in the amount of \$2,825,773.76 and respectfully represents as follows:

Background

1. On August 7, 2023 (the “Petition Date”) each of the Debtors filed a voluntary petition for relief (the “Chapter 11 Cases”) under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (this “Court”).

2. On October 11, 2023 the Debtors filed the *Debtors’ Application for Entry of an Order Authorizing the Debtors to Retain and Employ KPMG LLP to Provide Audit and Tax Restructuring Services to the Debtors and Debtors-in-Possession, Effective as of the Petition Date* (the “Retention Application”)² [D.I. 356] and, in support of the Retention Application, the Debtors submitted the Declaration of Steven D. Morgan (the “Morgan Declaration”).

3. By this Court’s Order, dated October 27, 2023 [D.I. 483] (the “Retention Order”), the Debtors were authorized to retain KPMG to provide Audit and Tax Restructuring Services effective as of the Petition Date. The Retention Order authorizes the Debtors to compensate KPMG in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and such other procedures as were fixed by order of the Court.

4. On March 6, 2024, the Court entered the Findings of Fact, Conclusions of Law, and Order Confirming the Fifth Amended Joint Chapter 11 Plan of Reorganization of Proterra Inc and its Debtor Affiliate [Docket No. 1180] (“the Confirmation Order”).

² Capitalized terms used but not defined in this Application shall have the meaning given to such terms in the Retention Application.

5. Furthermore, the Debtors' filed the Notice of (I) Entry of Confirmation Order, (II) Occurrence of Effective Date, and (III) Final Deadlines for Filing Certain Claims [Docket No. 1208] on March 13, 2024.

Jurisdiction

6. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. §157(b)(2). Venue of the Chapter 11 Cases and this matter in this district is proper under 28 U.S.C. §§ 1408 and 1409.

Summary of Application

7. During the Final Compensation Period, KPMG performed the services for which it is seeking compensation on behalf of or for the Debtors and their estates and not on behalf of any committee, creditor, or other person. By this Application, KPMG requests final allowance of compensation of professional fees totaling \$2,819,683.50³ and reimbursement of necessary and actual out-of-pocket expenses in the amount of \$6,090.26⁴.

Summary of Services Rendered During the Final Compensation Period

8. This Application is KPMG's final fee application for compensation and expense reimbursement. During the Final Compensation Period, KPMG provided significant professional services to the Debtors in their efforts to navigate their businesses and restructuring through the chapter 11 process. Set forth below is a summary of the significant professional services that KPMG rendered to the Debtors during the Final Compensation Period and

³ The Compensation amount requested reflects the reductions agreed upon with the Fee Examiner related to the First and Second Interim Periods.

⁴ Expenses requested reflect the reduction agreed upon with the Fee Examiner related to the First Interim Period.

annexed hereto as **Attachment B** is a chart depicting KPMG professionals who rendered these services.

Audit Services

KPMG performed (to the extent requested by the Debtors) certain audit-related services (“Audit Services”), including, without limitation:

i. Reviewed the condensed consolidated balance sheets of the Debtors, as set forth in Appendix I of engagement letter dated July 10, 2023, and the related condensed consolidated statements of operations, comprehensive loss, stockholders’ equity and cash flows for the quarterly and year-to-date periods, which were included in the quarterly reports (Form 10-Q) proposed to be filed by the Debtors under the Securities Exchange Act of 1934. The periods included the quarter ended June 30, 2023 and the quarter ended September 30, 2023.

ii. Integrated Audit Services:

a. Audit of consolidated balance sheets of Proterra Inc as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive loss, stockholders’ equity, and cash flows for each of the years in the three-year period ended December 31, 2023 and the related notes to the financial statements and audit of internal control over financial reporting as of December 31, 2023;

iii. Quarterly Review Procedures for the following periods as noted above in i:

- a. Quarter ended June 30, 2023;
- b. Quarter ended September 30, 2023;

iv. Audit Out-of-Scope Services provided consisted of auditing and accounting considerations related to debt restructuring during and on emergence from bankruptcy, fresh-start accounting, valuation of assets and liabilities on emergence from bankruptcy, income tax matters arising as a result of bankruptcy or other debt restructuring activities as a result of bankruptcy, and increased professional time to deliver Audit Services due to loss of Debtors’ personnel or other changes in circumstances as a result of bankruptcy that increases the effort to deliver audit services.

Tax Restructuring Services

KPMG analyzed the U.S. federal, state, local, and international tax implications of the Debtors potential restructuring of debt and / or capital structure (the “Potential Restructuring”). Services hereunder (“Tax Restructuring Services”) included, but were not limited to, analyses of:

- i. Section 382 of Title 26 of the United States Code (the “Internal Revenue Code,” or “I.R.C”), issues related to historical transactions and potential restructuring alternatives, including sensitivity analysis to reflect the Section 382 impact of the proposed and/or hypothetical equity transactions;
- ii. Net unrealized built-in gains and losses and Notice 2003-65 as applied to the ownership change, if any, resulting from or in connection with the Potential Restructuring;
- iii. Debtors’ tax attributes, including net operating losses, tax basis in assets, and tax basis in subsidiaries’ stock as relevant to the Potential Restructuring;
- iv. Cancellation of debt income, which included the application of section 108 of the I.R.C. and consolidated tax return regulations relating to the restructuring of non-intercompany debt and the completed capitalization or settlement of intercompany debt;
- v. Application of the attribute reduction rules under section 108(b) of the I.R.C. and Treasury Regulation Section 1.1502-28, including a benefit analysis of section 108(b)(5) of the I.R.C. and 1017(b)(3)(D) elections as related to the Potential Restructuring;
- vi. Relevant tax elections available and filing of any necessary election statements;
- vii. Tax implications of any internal reorganizations and restructuring alternatives;
- viii. Cash tax modeling of the tax benefits or tax costs of restructuring alternatives;
- ix. Tax implications of any dispositions of assets and/or subsidiary stock pursuant to the Potential Restructuring;
- x. Potential bad debt, worthless stock, and retirement tax losses associated with the Potential Restructuring;
- xi. Tax treatment of restructuring related costs.

Retention Services

Services included researching client bankruptcy with regards to retention; the preparation of KPMG declaration and retention order; discussions and fact finding with KPMG Partners, project team leads as well as the Office of General Counsel; discussions and correspondence with Debtors' counsel related to the employment application.

Fee Application Preparation

The billing procedures required by the U.S. Trustee Guidelines differ from KPMG's normal billing procedures and as such, the Local Rules and the Interim Compensation Order entered in this case have required significant effort to inform the timekeepers of their responsibilities, compile the detailed time and expenses entries, begin preparation of the detailed and summary schedules of fees and expenses incurred, and begin drafting the schedules included in the monthly fee applications.

9. As per the Retention Application, KPMG and the Debtors agreed to a maximum fixed fee (the "Fixed Fee") for in-scope Audit procedures of \$2,400,000 to perform the services relating to integrated audit and quarterly review procedures. As per the Retention Application, the remaining \$1,700,000 of the Fixed Fee was to be billed based on hours incurred at 50% of standard rates. KPMG requested \$1,555,430⁵ related to fees for these services rendered during the Final Compensation Period.

10. Fees billed by KPMG to the Debtors during the Final Compensation Period, for time expended by professionals were based on hourly rates ranging from \$240 to \$1,380 per hour. The rates reflected in this Application represent up to a 50% discount from KPMG's standard rates. Of the aggregate time expended, 321.7 hours were expended by partners and principals, 214.2 hours were expended by managing directors, 635.5 hours were expended by directors, senior managers and associate directors, 1,330.3 hours were expended

⁵ KPMG requested fees in the amount of \$1,555,430 for in-scope audit services, however this amount does not contemplate reductions related to these services agreed upon with the Fee Examiner during the First and Second Interim Periods.

by managers, and 3,610.5 hours were expended by senior associates and associates. KPMG's blended hourly rate for services provided during the Final Compensation Period is \$461.32⁶.

11. KPMG maintains contemporaneous records of the time expended for the professional services and expenses related hereto performed in connection with these chapter 11 cases and such records are maintained in the ordinary course of business.

12. KPMG charges its fees in this case in accordance with the terms set forth in the Retention Order. The fees applied for herein are based on the usual and customary fees KPMG charges to its clients and are commensurate with the usual and customary rates charged for services performed.

13. KPMG respectfully submits that the amounts applied for herein for professional services rendered on behalf of the Debtors in this case to date are fair and reasonable given: (a) the time expended; (b) the nature and extent of the services performed at the time at which such services were rendered; (c) the value of such services; and (d) the costs of comparable services other than in these Chapter 11 Cases.

14. The time and labor expended by KPMG during the Final Compensation Period has been commensurate with the size and complexity of this case. In rendering these services, KPMG has made every effort to maximize the benefit to the Debtors' estates, to work efficiently with the other professionals employed in this case, and to leverage staff appropriately in order to minimize duplication of effort.

15. During the Final Compensation Period, KPMG provided a focused range of professional services as requested by the Debtors. KPMG respectfully submits that these

⁶ The blended hourly rate was calculated based on fees factoring in reductions agreed upon with the Fee Examiner.

services: (a) were necessary and beneficial to the successful and prompt administration of the Chapter 11 Cases; and (b) have been provided in a cost-efficient manner.

16. Except as set forth in the Retention Order, no promises concerning compensation have been made to KPMG by any firm, person, or entity.

Summary of Actual and Necessary Expenses During the Final Compensation Period

17. As set forth in Attachment B, KPMG seeks reimbursement of actual and necessary expenses incurred by KPMG during the Final Compensation Period in the aggregate amount of \$6,090.26. These expenses were reasonable and necessary in light of the size and complexity of the Debtors' cases.

Reservation of Rights

18. To the extent that time for services rendered or disbursements incurred relate to the Final Compensation Period but were not processed prior to the preparation of this Application, KPMG reserves the right to request additional compensation for such services and reimbursement of such expenses in a future application. Furthermore, KPMG reserves the right to seek final approval of the fees and expenses requested herein.

[Remainder of page intentionally blank]

Conclusion

WHEREFORE, KPMG respectfully requests that, pursuant to the Interim Compensation Order, KPMG is allowed on a final basis, (i) compensation of professional fees totaling \$2,819,683.50; (ii) allowed reimbursement of expenses billed during the Final Compensation Period of \$6,090.26; (iii) authorized to be paid its allowed fees and expenses for the Final Compensation Period; and (iv) granted such other and further relief as the Court may deem proper.

Dated: April 29, 2024

Respectfully submitted,

/s/ Steven D. Morgan

Steven D. Morgan
Partner
KPMG LLP
3975 Freedom Circle
Mission Towers I, Suite 600
Santa Clara, CA 95054

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

In re:)	
	)	Chapter 11
Prodigy Investment Holdings, Inc., ¹)	
	)	Case No. 23-11120 (BLS)
Reorganized Debtor.)	
)	
)	

**DECLARATION PURSUANT TO RULE 2016-2 OF THE
LOCAL RULES OF BANKRUPTCY PROCEDURE FOR THE
UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE**

I, Steven D. Morgan, being duly sworn, deposes and says:

1. I am a Certified Public Accountant and a Partner of KPMG LLP (“KPMG”), a professional services firm.

2. On October 27, 2023, the Court approved KPMG’s retention as audit and tax restructuring service provider to the above captioned debtors and debtors-in-possession (the “Debtors”). I submit this Declaration in conjunction with KPMG’s final fee application (the “Application”) dated April 29, 2024 for final allowance of compensation and expenses for the period from August 7, 2023 through March 13, 2024.

3. I am familiar with the work performed on behalf of the Debtors by the professionals of KPMG.

4. I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed

¹ The Reorganized Debtor in this chapter 11 case, along with the last four digits of the Reorganized Debtor’s federal tax identification number, is: Prodigy Investments Holdings, Inc. (9565). The location of the Reorganized Debtor’s service address is: 3350 Virginia St., 2nd Floor, Miami, FL 33133.

Rule 2016-2 of the Local Rules of Bankruptcy Procedure for the United States Bankruptcy Court for the District of Delaware and submit that the Application substantially complies with such Rule.

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

Executed this 29th day of April, 2024.

/s/ Steven D. Morgan

Steven D. Morgan
Partner
KPMG LLP
3975 Freedom Circle
Mission Towers I Suite 600
Santa Clara, CA 95054

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

In re:)	
	)	Chapter 11
)	
Prodigy Investments Holdings, Inc., ¹	)	Case No. 23- 11120 (BLS)
)	
Reorganized Debtor.)	
)	
	)	Objection Deadline: May 20, 2024 at 4:00 p.m. (ET)
	)	Hearing Date: June 12, 2024 at 11:00 a.m. (ET)

NOTICE OF APPLICATION

The *Final Fee Application of KPMG LLP Providing Audit and Tax Restructuring Services to the Debtors and Requesting Final Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period of August 7, 2023 Through March 13, 2024* (the “Application”) has been filed with the United States Bankruptcy Court for the District of Delaware (the “Court”). The Application seeks allowance of final fees in the amount of \$2,819,683.50 and final expenses in the amount of \$6,090.26.

Objections to the Application, if any, are required to be filed on or before **May 20, 2024 at 4:00 p.m. (ET)** (the “Objection Deadline”) with the Clerk of the Court, 3rd Floor, 824 Market Street, Wilmington, Delaware 19801. At the same time, you must also serve a copy of the objection so as to be received by the following on or before the Objection Deadline: (i) Prodigy Investments Holdings, Inc., 3350 Virginia St., 2nd Floor, Miami, FL 33133 (the “Reorganized Debtor”); (ii) counsel for the Reorganized Debtor, Sidley Austin LLP, 787 Seventh Ave, New York, NY 10019, Attn: Thomas R. Califano (tom.califano@sidley.com) and Dennis M. Twomey (dtwomey@sidley.com); (iii) (a) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019 (Attn: Paul M. Basta (pbasta@paulweiss.com), Robert A. Britton (rbritton@paulweiss.com), and Michael J. Colarossi (mcolarossi@paulweiss.com), and (b) Young Conaway Stargatt & Taylor, LLP, 1000 N. King Street, Rodney Square, Wilmington, DE 19801 (Attn: Pauline K. Morgan (pmorgan@ycst.com), Andrew L. Magaziner (amagaziner@ycst.com), and Shella Borovinskaya (sborovinskaya@ycst.com)); (iv) the Office of the United States Trustee for the District of Delaware 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn: Linda J. Casey (linda.casey@usdoj.gov)); (v) PTR A Distribution Trust (the “Distribution Trust”), MHR Advisory Group, c/o Province, LLC, 11111 Santa Monica Blvd, Ste. 525, Los Angeles, CA 90025 (Attn: Steven Balasiano (steven@mhradvisory.com)); (vi) counsel for the Distribution Trust, Lowenstein Sandler LLP (Attn: Jeffrey Cohen (jcohen@lowenstein.com), Eric Chafetz (echafetz@lowenstein.com), Jordana Renert (jrenert@lowenstein.com), and Keara Waldron (kwaldron@lowenstein.com)); and (vii) counsel to the First Lien Agent, Holland & Knight, One

¹ The Reorganized Debtor in this chapter 11 case, along with the last four digits of the Reorganized Debtor’s federal tax identification number, is: Prodigy Investments Holdings, Inc. (9565). The location of the Reorganized Debtor’s service address is: 3350 Virginia St., 2nd Floor, Miami, FL 33133.

Arts Plaza, 1722 Routh Street, Suite 1500, Dallas, Texas 75201 Attn: Robert Jones (robert.jones@hklaw.com) and Brent McIlwain (brent.mcilwain@hklaw.com).

PLEASE TAKE FURTHER NOTICE THAT PURSUANT TO THE *ORDER (I) AUTHORIZING AND ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PROFESSIONALS* [Docket No. 188], IF NO OBJECTIONS ARE FILED AND SERVED IN ACCORDANCE WITH THE ABOVE PROCEDURES, THEN THE DEBTORS WILL BE AUTHORIZED TO PAY 80% OF REQUESTED INTERIM FEES AND 100% OF REQUESTED EXPENSES WITHOUT FURTHER ORDER OF THE COURT. ONLY IF AN OBJECTION IS PROPERLY AND TIMELY FILED IN ACCORDANCE WITH THE ABOVE PROCEDURES WILL A HEARING BE HELD ON THE APPLICATION. ONLY THOSE PARTIES TIMELY FILING AND SERVING OBJECTIONS WILL RECEIVE NOTICE AND BE HEARD AT SUCH HEARING.

PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER FINAL APPROVAL OF THE APPLICATION WILL BE HELD ON JUNE 12, 2024 AT 11:00 A.M. (PREVAILING EASTERN TIME) BEFORE THE HONORABLE BRENDAN LINEHAN SHANNON, UNITED STATES BANKRUPTCY JUDGE, AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, SIXTH FLOOR, COURTROOM 1, WILMINGTON, DELAWARE 19801. IF NO OBJECTIONS ARE FILED AND SERVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

[Remainder of page intentionally left blank]

Dated: April 29, 2024
Wilmington, Delaware

Respectfully submitted,

**YOUNG CONAWAY STARGATT &
TAYLOR, LLP**

/s/ Andrew L. Magaziner

Pauline K. Morgan (No. 3650)
Andrew L. Magaziner (No. 5426)
Shella Borovinskaya (No. 6758)
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amagaziner@ycst.com
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- and -

**PAUL, WEISS, RIFKIND,
WHARTON & GARRISON LLP**

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Robert A. Britton (admitted *pro hac vice*)
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*Counsel to the Debtors and
Debtors in Possession*