

**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.

Ref. Docket No. 1303

**FEE EXAMINER'S FINAL REPORT REGARDING
FINAL FEE APPLICATION OF KURTZMAN CARSON CONSULTANTS LLC**

Rucki Fee Review, LLC (“Rucki Fee Review”), the fee examiner appointed in the above-captioned chapter 11 cases and acting in its capacity as such (the “Fee Examiner”), hereby submits its final report (this “Final Report”) regarding the *Final Fee Application of Kurtzman Carson Consultants LLC, as Administrative Advisor to the Debtors, for the Period from August 7, 2023 through and including March 13, 2024* [Docket No. 1303] (the “Final Fee Application”) filed by Kurtzman Carson Consultants (the “Firm”) for its administrative advisor services.²

BACKGROUND

1. In performance of its fee and expense review procedures and in preparation of its initial report provided to the Firm (the “Initial Report”) and this Final Report designed to quantify and present factual data relevant to the requested fees, disbursements and expenses

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 Rucki Fee Review’s final report with respect to the Firm’s first quarterly fee application was inadvertently captioned as a final report to the Firm’s final fee application (though all references within the body of such report correctly identified the underlying application as the Firm’s first quarterly fee application). For the avoidance of doubt, this Final Report constitutes Rucki Fee Review’s final report with respect to the Final Fee Application.



contained in the Final Fee Application consistent with its appointment order, Rucki Fee Review reviewed the Final Fee Application and all of the fee applications filed by the Firm, including each of the billing and expense entries listed in the exhibits to such fee applications, for compliance with section 330 of the Bankruptcy Code, Bankruptcy Rule 2016 and Local Rule 2016-2, as well as the *U.S. Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330—Appendix A* and the Firm’s retention orders. Rucki Fee Review has not reviewed the Firm’s invoices for its services performed under section 156(c) of the Bankruptcy Code, which other fees are beyond the scope of the order appointing Rucki Fee Review as the Fee Examiner. Certain of the Firm’s fee and expense detail, covering the inception of these chapter 11 cases through January 31, 2024, was previously reviewed by Rucki Fee Review and subject to its reports previously filed on the docket of these chapter 11 cases. This fee and expense detail was not re-reviewed for this Final Report, and the issues raised herein relate to the subsequent fee period except to the extent this Final Report expressly addresses matters relating to the entire final fee period on a cumulative basis.

2. Rucki Fee Review did not prepare informal memos related to the fee applications of the Firm, but instead included its issues and questions in its Initial Report provided to the Firm. Rucki Fee Review thereafter conferred with the Firm regarding the Initial Report, and following such conferral includes its recommendations in this Final Report.

DISCUSSION

3. For the compensation period of August 7, 2023 through March 13, 2024, as set forth in the Final Fee Application, the Firm seeks final bankruptcy court approval in the amount of

\$403,019.73 as actual, reasonable and necessary fees and for expense reimbursement of \$0.00. This includes \$74,121.27 in fees and \$0.00 in expenses that were not previously subject to a report by Rucki Fee Review. Rucki Fee Review did not previously request any fee reductions from the Firm in these chapter 11 cases, so these fees do not incorporate any prior fee reductions agreed to with Rucki Fee Review.

4. Although it examines the matter on a case-by-case basis based on the facts and circumstances of each case and each applicant's role within a case (such as a firm responsible for coordinating filing and scheduling of and hearing on multiple professionals' fee applications) regardless of whether any given threshold is exceeded, Rucki Fee Review generally does not consider time spent on fee issues to be presumptively unreasonable where less than 7% of total time has been charged for preparing fee applications and addressing fee issues. It applies these guidelines on a cumulative basis. Here, however, the Firm has not billed its time for preparing its fee applications.
5. Subject to the agreed reductions set forth herein, Rucki Fee Review considers the staffing breakdown during the entirety of the final fee period to be appropriate, and also considers it appropriate for the period of February 1-March 13, 2024 not previously subject to a report by Rucki Fee Review. The Firm's blended hourly rate during the entirety of the final fee period was \$194.03, which compares to \$186.24 during the Firm's first quarterly fee period for work on the debtors' schedules of assets and liabilities and statements of financial affairs, \$218.95 during the Firm's second quarterly fee period for *de minimis* solicitation preparation work, and \$232.72 during the period of February 1-March 13, 2024 not previously subject to a report by Rucki Fee Review for solicitation work. The increase in blended rate is primarily attributable to a periodic increase in the Firm's billable rates,

which increased rates Rucki Fee Review considers reasonable and are relatively compressed across seniority tiers.

6. With respect to the size of the team utilized by the Firm: 26 professionals were utilized by the Firm during the fee period of February 1-March 13, 2024, all in connection with solicitation activities. Of these 26 persons, 20 billed under 15.0 hours. These persons billing under 15.0 hours generally were utilized to either process incoming ballots or perform quality control on the tabulation of ballots. Rucki Fee Review gives additional scrutiny to time entries of those billing fewer than 15 hours in an interim fee period to address if the utilization of such particular persons was necessary for the case. Subject to the agreed reductions set forth herein, however, Rucki Fee Review considers all of the foregoing staffing appropriate in light of the solicitation work required of the Firm, and believes the Firm's work was well-coordinated with the debtors' fellow professionals. All other persons billing fewer than 15 hours in an interim fee period were addressed in Rucki Fee Review's prior reports filed on the docket in these chapter 11 cases.

7. Local Rule 2016-2 provides in section (d) that all fee applications shall include complete and detailed activity descriptions; each activity description shall include the type of activity, each activity description shall include the participants to the activity; each activity description shall include the subject matter and shall be sufficiently detailed to allow the bankruptcy court to determine whether all the time, or any portion thereof, is actual, reasonable, and necessary and shall include a time allotment billed in tenths of an hour and not be "lumped" with other entries. Notwithstanding the Local Rule, and consistent with the practice of certain of the Bankruptcy Court's Judges, Rucki Fee Review does not object

to “lumping” where a single timekeeper bills less than 0.5 hours during an entire day in the aggregate (not multiple lumped 0.5 entries).

8. Rucki Fee Review identified a small number of entries that it considers lumped or otherwise not fully compliant with the Local Rules for reasons such as not identifying the counterparties to e-mail discussions, which is not an uncommon practice. After conferral with the Firm, the Firm has agreed to a reduction of \$1,800.00 on account of these entries in compromise of Rucki Fee Review’s request.
9. Rucki Fee Review identified certain conferences, telephone calls or other matters that were billed inconsistently by the respective professionals, and/or conferences where the counterparty to the conversation did not bill an itemized charge for the discussion. Rucki Fee Review acknowledges that the latter can result from a professional intentionally or inadvertently not billing for a conference that actually occurred, or otherwise not being billed. After discussion with the Firm, the Firm has agreed to a reduction of \$338.80 on account of these entries, representing the full amount of the difference in the non-matching entries and no reduction for the entries without a corresponding entry, which Rucki Fee Review considers an appropriate compromise.
10. In addition to those other matters referenced herein, Rucki Fee Review requested the Firm waive or reduce certain entries for miscellaneous reasons. After discussion with the Firm, the Firm has agreed to a reduction of \$338.80 on account of these entries in compromise of Rucki Fee Review’s request.
11. No expense reimbursement is sought in the Final Fee Application. Accordingly, no discussion of expense reimbursement is necessary.

12. After accounting for the agreed fee reductions of \$2,477.60 noted above, Rucki Fee Review considers the balance of the fees and expenses sought in the Final Fee Application reasonable, necessary and appropriate under the circumstances,

CONCLUSION

13. Rucki Fee Review recommends the approval of the Final Fee Application in the amount of \$400,542.13 with respect to fees and the reimbursement of expenses in the amount of \$0.00, which amounts reflect the reductions agreed to with the Firm set forth herein.

Dated: May 30, 2024
Wilmington, Delaware

Respectfully submitted,

RUCKI FEE REVIEW, LLC
FEE EXAMINER

By: /s/ Justin H. Rucki

Justin H. Rucki
President of Rucki Fee Review, LLC