

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

In re:

Prodigy Investment Holdings, Inc.,¹

Reorganized Debtor.

Chapter 11

Case No. 23-11120 (BLS)

Ref. Docket No. 1302

**FEE EXAMINER'S FINAL REPORT
REGARDING FINAL FEE APPLICATION OF SLAUGHTER AND MAY**

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 *Third Monthly and Final Application of Slaughter and May, as Special Corporate Counsel to the Debtors and Debtors in Possession, for Allowance of Compensation and Reimbursement of Expenses Incurred for the Monthly Period from February 1, 2024 through March 13, 2024 and for the Final Period from October 20, 2023 through March 13, 2024* (the "Final Fee Application") [Docket No. 1302] filed by Slaughter and May (the "Firm").

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.



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contained in the Final Fee Application consistent with its appointment order, Rucki Fee Review reviewed the Final Fee Application and all fee applications filed by the Firm in these chapter 11 cases, 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 order. Rucki Fee Review also reviewed for a reasonable effort to comply with the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases Effective as of November 1, 2013* (the “Attorney Large Case Guidelines”). 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 report 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 reached a settlement to resolve all of Rucki Fee Review's requests on a comprehensive basis and includes this settlement in its recommendations in this Final Report.

DISCUSSION

3. For the compensation period of October 20, 2023 through March 13, 2024, as set forth in the Final Fee Application, the Firm seeks final bankruptcy court approval in the amount of £194,655.00 (approximately \$249,097.98 as of the filing of the Final Fee Application) as actual, reasonable and necessary fees and for expense reimbursement of £0.00. This includes £37,804.50 in fees and £0.00 in expenses that were not previously subject to a report by Rucki Fee Review, and accounts for the £15,000.00 of fee reductions previously agreed to with Rucki Fee Review.²

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 whether a firm is responsible for coordinating filing and scheduling of and hearing on multiple professionals' fee applications) regardless of whether any given threshold is exceeded such that fees below its presumptive threshold may be unreasonable and fees above its presumptive threshold may be reasonable, 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. Through the entirety of the final fee period the Firm has charged approximately £48,166.00 in fees relating to the Firm's fee applications on a cumulative basis (net of £11,000.00 in reductions previously agreed to with Rucki Fee Review on account of such fees). This amounts to approximately 24.7% of the Firm's total cumulative fees through the conclusion of the final fee period, and includes £25,829.00 not

² The Final Fee Application underbills by £10.00.

previously considered by the Bankruptcy Court on an interim basis. While Rucki Fee Review considers it reasonable for the Firm's fee application-related fees to exceed 7% under the totality of the circumstances (including the Firm's relative unfamiliarity with the American chapter 11 fee application process, the need to provide currency conversions, and the relative size of the Firm's overall fees), Rucki Fee Review still has allocated £1,600.00 of the settlement reached with the Firm to reduce these fees and notes that all of the other fee reductions allocated to more specific matters below also relate to fee-related work.

5. Subject to its prior agreed reductions and the agreed reductions set forth herein, Rucki Fee Review considers the staffing breakdown during the entirety of the final fee period (percentage of hours billed by partners, counsel, associates and paraprofessionals, respectively) 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 £847.13 (prior to the application of reductions), which blended rate is situated between an associate and a senior counsel at the Firm's current hourly rates. The Firm's blended hourly rate during the period of February 1-March 13, 2024 not previously subject to a report by Rucki Fee Review was lower at £677.50 per hour (primarily attributable to a greater percentage of the Firm's work being on account of fee applications as other work decreased), and compares to £896.51 during the Firm's first quarterly fee period.
6. 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. Here, however, due to the limited hours of the Firm during the fee

period of February 1-March 13, 2024 not previously subject to a report by Rucki Fee Review, all but one of the Firm's five professionals billed under 15.0 hours (including one at 14.8 and one at 14.2). After review of these entries and subject to the agreed reductions set forth herein, Rucki Fee Review does not consider the utilization of each of these persons to be objectionable. 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. With respect to the size of the team utilized by the Firm: as noted above five professionals were utilized by the Firm during the fee period of February 1-March 13, 2024 (which compares to seven during the Firm's first quarterly fee period). Subject to the agreed reductions set forth herein, Rucki Fee Review considers this acceptable in light of the work required of the Firm during the fee period between February 1, 2024 and March 13, 2024.
8. Rucki Fee Review notes that it is customary in cases before the Bankruptcy Court for a "reasonable effort" to comply with the Attorney Large Case Guidelines to include preparation of a budget and staffing plan for each applicable law firm agreed to by the client (debtor or committee). Here, the Firm did not prepare a prospective budget and staffing plan. Subject to the agreed reductions set forth herein, however, Rucki Fee Review considers the Firm's work to be well-coordinated within the Firm and with its fellow professionals.
9. 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).

10. 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, Rucki Fee Review has allocated £150.00 of the settlement reached with the Firm to these entries in compromise of Rucki Fee Review’s request.
11. Administrative tasks that are generally not compensable by a non-chapter 11 client or are clerical in nature are not compensable in chapter 11. Rucki Fee Review identified certain work it considered administrative in nature in the amount of £676.50 and after conferral with the Firm has allocated such amount of the settlement reached with the Firm to these entries in compromise of Rucki Fee Review’s request.
12. In addition to those other matters referenced herein, Rucki Fee Review requested the Firm waive certain other fees totaling £178.00 for miscellaneous reasons. After conferral with the Firm, Rucki Fee Review has allocated such amount of the settlement reached with the Firm to these entries in compromise of Rucki Fee Review’s request.

13. No expense reimbursement is sought in the Final Fee Application. Accordingly, no discussion of expense reimbursement is necessary.

14. After accounting for the agreed fee reductions of £2,604.50 discussed herein, 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

15. Rucki Fee Review recommends the approval of the Final Fee Application in the amount of £192,050.50 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