

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
 Deb Stores Holdings LLC et al.,<sup>1</sup> )  
 Debtors. ) Case No.: 14-12676 (KG)  
 ) (Jointly Administered)  
 )  
 Objection Deadline: May 2, 2016 at 4:00 p.m.  
 Hearing Date: To be scheduled if necessary

**FOURTEENTH MONTHLY APPLICATION FOR COMPENSATION  
AND REIMBURSEMENT OF EXPENSES OF  
PACHULSKI STANG ZIEHL & JONES LLP, AS COUNSEL TO  
THE DEBTORS AND DEBTORS IN POSSESSION FOR THE  
PERIOD FROM JANUARY 1, 2016 THROUGH JANUARY 31, 2016**

Name of Applicant:	Pachulski Stang Ziehl & Jones LLP
Authorized to Provide Professional Services to:	Debtors and Debtors in Possession
Date of Retention:	Effective <i>nunc pro tunc</i> to December 4, 2014 by order signed on or about January 6, 2015
Period for which Compensation and Reimbursement is Sought:	January 1, 2016 through January 31, 2016
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$34,552.00
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$ 5,240.96

This is a:     x monthly     interim     final application.

The total time expended for fee application preparation is approximately 3.0 hours and the corresponding compensation requested is approximately \$1,000.00.

<sup>1</sup> The Debtors, together with the last four digits of each Debtor's tax identification number, are: Deb Stores Holding LLC (4407), Deb Stores Holding II LLC (4755), Deb Shops SDP Inc. (4120), Deb Shops SDIH Inc. (4113), Deb Shops SD Inc. (8806), Deb Shops SDE LLC (4077), Deb Shops SDW LLC (4065), Deb Shops SDE-Commerce LLC (0926), and Deb Shops SDFMC LLC (8842). The location of the Debtors' headquarters and the service address for each of the Debtors is 9401 Blue Grass Road, Philadelphia, PA 19114.

**PRIOR APPLICATIONS FILED**

<b>Date Filed</b>	<b>Period Covered</b>	<b>Requested Fees</b>	<b>Requested Expenses</b>	<b>Approved Fees</b>	<b>Approved Expenses</b>
06/09/15	12/04/14 – 12/31/14	\$500,985.50	\$83,404.23	\$500,985.50	\$83,404.23
07/06/15	01/01/15 – 01/31/15	\$344,634.75	\$29,201.03	\$344,634.75	\$29,201.03
07/09/15	02/01/15 – 02/28/15	\$213,381.50	\$27,226.00	\$213,381.50	\$27,226.00
08/18/15	03/01/15 – 03/31/15	\$200,561.50	\$20,243.01	\$200,561.50	\$20,243.01
11/05/15	04/01/15 – 04/30/15	\$132,138.00	\$ 8,328.27	\$132,138.00	\$ 8,328.27
11/17/15	05/01/15 – 05/31/15	\$102,725.00	\$ 9,290.97	\$102,725.00	\$ 9,290.97
11/20/15	06/01/15 – 06/30/15	\$ 64,383.50	\$ 5,132.75	\$ 64,383.50	\$ 5,132.75
11/23/15	07/01/15 – 07/31/15	\$ 64,372.50	\$ 3,117.29	\$ 64,372.50	\$ 3,117.29
12/01/15	08/01/15 – 08/31/15	\$ 44,492.00	\$ 5,590.44	\$ 44,492.00	\$ 5,590.44
12/07/15	09/01/15 – 09/30/15	\$ 40,324.00	\$ 3,109.12	\$ 40,324.00	\$ 3,109.12
12/23/15	10/01/15 – 10/31/15	\$ 47,344.00	\$ 2,999.47	\$ 47,344.00	\$ 2,999.47
01/07/16	11/01/15 – 11/30/15	\$ 37,022.50	\$ 3,322.31	\$ 37,022.50	\$ 3,322.31
01/15/16	12/01/15 – 12/31/15	\$ 26,059.50	\$ 5,923.10	\$ 20,847.60	\$ 5,923.10

**PSZ&J PROFESSIONALS**

<b>Name of Professional Individual</b>	<b>Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise</b>	<b>Hourly Billing Rate (including Changes)</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
Laura Davis Jones	Partner 2000; Joined Firm 2000; Member of DE Bar since 1986	\$1,050.00	6.00	\$6,300.00
David M. Bertenthal	Partner 1999; Member of CA Bar since 1993	\$ 925.00	2.50	\$2,312.50
Maxim B. Litvak	Partner 2004; Member of TX Bar since 1997; Member of CA Bar since 2001	\$ 825.00	2.40	\$1,980.00
William L. Ramseyer	Of Counsel 1989; Member of CA Bar since 1980	\$ 675.00	4.90	\$3,307.50
Colin R. Robinson	Of Counsel 2013; Member of NJ and PA Bars since 2001; Member of DE Bar since 2010	\$ 695.00	9.00	\$6,255.00
Peter J. Keane	Associate 2010; Member of PA Bar since 2008; Member of DE and NH Bar since 2010	\$ 550.00	9.90	\$5,445.00
Margaret L. McGee	Paralegal 2007	\$ 325.00	14.60	\$4,745.00
Cheryl A. Knotts	Paralegal 2000	\$ 305.00	2.40	\$ 732.00

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Sheryle L. Pitman	Case Management Assistant 2001	\$ 250.00	8.80	\$2,200.00
Charles J. Bouzoukis	Case Management Assistant 2001	\$ 250.00	2.20	\$ 550.00
Andrea R. Paul	Case Management Assistant 2001	\$ 250.00	0.70	\$ 175.00
Karen S. Neil	Case Management Assistant 2003	\$ 250.00	1.20	\$ 300.00
Beatrice M. Koveleski	Case Management Assistant 2009	\$ 250.00	1.00	\$ 250.00

**Grand Total: \$ 34,552.00**

**Total Hours: 65.60**

**Blended Rate: \$ 526.71**

**COMPENSATION BY CATEGORY**

<b>Project Categories</b>	<b>Total Hours</b>	<b>Total Fees</b>
Bankruptcy Litigation	12.40	\$ 8,356.50
Case Administration	16.00	\$ 4,225.00
Claims Admin./Objections	0.20	\$ 165.00
Compensation of Professional	19.30	\$10,484.50
Compensation of Prof./Others	5.30	\$ 1,997.50
Financial Filings	0.70	\$ 295.00
Financing	10.80	\$ 8,433.50
Stay Litigation	0.20	\$ 210.00
Tax Issues	0.70	\$ 385.00

**EXPENSE SUMMARY**

<b>Expense Category</b>	<b>Service Provider<sup>2</sup> (if applicable)</b>	<b>Total Expenses</b>
Conference Call	AT&T Conference Call	\$ 2.55
Delivery/Courier Service	Digital Legal	\$1,433.59
Express Mail	Federal Express	\$ 149.22
Fax Transmittal	Outgoing only	\$ 923.00
Court Research	Pacer	\$ 9.80
Postage	US Mail	\$ 465.10
Reproduction Expense		\$1,464.90
Reproduction/ Scan Copy		\$ 792.80

<sup>2</sup>PSZ&J may use one or more service providers. The service providers identified herein below are the primary service providers for the categories described.

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AND REIMBURSEMENT OF EXPENSES OF  
PACHULSKI STANG ZIEHL & JONES LLP, AS COUNSEL TO  
THE DEBTORS AND DEBTORS IN POSSESSION FOR  
THE PERIOD FROM JANUARY 1, 2016 THROUGH JANUARY 31, 2016**

Pursuant to sections 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (collectively, the “Bankruptcy Rules”), and the “Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals,” signed on or about January 6, 2015 (“Administrative Order”), Pachulski Stang Ziehl & Jones LLP (“PSZ&J” or the “Firm”), Counsel for the Debtors and Debtors in Possession, hereby submits its Fourteenth Monthly Application for Compensation and for Reimbursement of Expenses for the Period from January 1, 2016 through January 31, 2016 (the “Application”).

<sup>1</sup> The Debtors, together with the last four digits of each Debtor’s tax identification number, are: Deb Stores Holding LLC (4407), Deb Stores Holding II LLC (4755), Deb Shops SDP Inc. (4120), Deb Shops SDIH Inc. (4113), Deb Shops SD Inc. (8806), Deb Shops SDE LLC (4077), Deb Shops SDW LLC (4065), Deb Shops SDE-Commerce LLC (0926), and Deb Shops SDFMC LLC (8842). The location of the Debtors’ headquarters and the service address for each of the Debtors is 9401 Blue Grass Road, Philadelphia, PA 19114.

By this Application PSZ&J seeks a monthly interim allowance of compensation in the amount of \$34,552.00 and actual and necessary expenses in the amount of \$5,240.96 for a total allowance of \$39,792.96 and payment of \$27,641.60 (80% of the allowed fees) and reimbursement of \$5,240.96 (100% of the allowed expenses) for a total payment of \$32,882.56 for the period January 1, 2016 through January 31, 2016 (the "Interim Period"). In support of this Application, PSZ&J respectfully represents as follows:

**Background**

1. On December 4, 2014 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors continued in possession of their property and continued to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. A Committee of Unsecured Creditors (the "Committee") was appointed in these cases by the United States Trustee on December 16, 2014. No trustee or examiner has been appointed in the Debtors' chapter 11 cases.

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

3. On or about January 6, 2015, the Court signed the Administrative Order, authorizing certain professionals ("Professionals") to submit monthly applications for interim compensation and reimbursement for expenses, pursuant to the procedures specified therein. The Administrative Order provides, among other things, that a Professional may submit monthly fee applications. If no objections are made within twenty-one (21) days after service of the

monthly fee application the Debtors are authorized to pay the Professional eighty percent (80%) of the requested fees and one hundred percent (100%) of the requested expenses. Beginning with the period ending February 28, 2015, at three-month intervals or such other intervals convenient to the Court, each of the Professionals shall file and serve an interim application for allowance of the amounts sought in its monthly fee applications for that period. All fees and expenses paid are on an interim basis until final allowance by the Court.

4. The retention of PSZ&J, as counsel for the Debtors and Debtors in Possession, was approved effective as of December 4, 2014 by this Court's "Order Pursuant to Section 327(a) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Rule 2014-1 Authorizing the Employment and Retention of Pachulski Stang Ziehl & Jones LLP as Counsel for the Debtors and Debtors in Possession *Nunc Pro Tunc* to the Petition Date", signed on or about January 6, 2015 (the "Retention Order"). The Retention Order authorized PSZ&J to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

**PSZ&J's APPLICATION FOR COMPENSATION AND  
FOR REIMBURSEMENT OF EXPENSES**

**Compensation Paid and Its Source**

5. All services for which PSZ&J requests compensation were performed for or on behalf of the Debtors.

6. PSZ&J has received no payment and no promises for payment from any source other than the Debtors for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or

understanding between PSZ&J and any other person other than the partners of PSZ&J for the sharing of compensation to be received for services rendered in these cases. PSZ&J has received payments from the Debtors during the year prior to the Petition Date in the amount of \$550,000.00, including the Debtors' filing fees for these cases, in connection with the preparation of initial documents and its prepetition representation of the Debtors. Upon final reconciliation of the amount actually expended prepetition, any balance remaining from the prepetition payments to PSZ&J was credited to the Debtors and utilized as PSZ&J's retainer to apply to postpetition fees and expenses pursuant to the compensation procedures approved by this Court.

#### **Fee Statements**

7. The fee statements for the Interim period are attached hereto as Exhibit A. These statements contain daily time logs describing the time spent by each attorney and paraprofessional during the Interim period. To the best of PSZ&J's knowledge, this Application complies with sections 330 and 331 of the Bankruptcy Code and the Bankruptcy Rules. PSZ&J's time reports are initially handwritten by the attorney or paralegal performing the described services. The time reports are organized on a daily basis. PSZ&J is particularly sensitive to issues of "lumping" and, unless time was spent in one time frame on a variety of different matters for a particular client, separate time entries are set forth in the time reports. PSZ&J's charges for its professional services are based upon the time, nature, extent and value of such services and the cost of comparable services other than in a case under the Bankruptcy Code. PSZ&J has reduced its charges related to any non-working "travel time" to fifty percent



(50%) of PSZ&J's standard hourly rate. To the extent it is feasible, PSZ&J professionals attempt to work during travel.

**Actual and Necessary Expenses**

8. A summary of actual and necessary expenses incurred by PSZ&J for the Interim period is attached hereto as part of Exhibit A. PSZ&J customarily charges \$0.10 per page for photocopying expenses related to cases, such as these, arising in Delaware. PSZ&J's photocopying machines automatically record the number of copies made when the person that is doing the copying enters the client's account number into a device attached to the photocopier. PSZ&J summarizes each client's photocopying charges on a daily basis.

9. PSZ&J charges \$1.00 per page for out-going facsimile transmissions. There is no additional charge for long distance telephone calls on faxes. The charge for outgoing facsimile transmissions reflects PSZ&J's calculation of the actual costs incurred by PSZ&J for the machines, supplies and extra labor expenses associated with sending telecopies and is reasonable in relation to the amount charged by outside vendors who provide similar services. PSZ&J does not charge the Debtors for the receipt of faxes in these cases.

10. With respect to providers of on-line legal research services (e.g., LEXIS and WESTLAW), PSZ&J charges the standard usage rates these providers charge for computerized legal research. PSZ&J bills its clients the actual amounts charged by such services, with no premium. Any volume discount received by PSZ&J is passed on to the client.

11. PSZ&J believes the foregoing rates are the market rates that the majority of law firms charge clients for such services. In addition, PSZ&J believes that such charges are in accordance with the American Bar Association's ("ABA") guidelines, as set forth in the ABA's Statement of Principles, dated January 12, 1995, regarding billing for disbursements and other charges.

**Summary of Services Rendered**

12. The names of the partners and associates of PSZ&J who have rendered professional services in these cases during the Interim period, and the paralegals and case management assistants of PSZ&J who provided services to these attorneys during the Interim period, are set forth in the attached Exhibit A.

13. PSZ&J, by and through such persons, has prepared and assisted in the preparation of various motions and orders submitted to the Court for consideration, advised the Debtors on a regular basis with respect to various matters in connection with the Debtors' bankruptcy cases, and performed all necessary professional services which are described and narrated in detail below. PSZ&J's efforts have been extensive due to the size and complexity of the Debtors' bankruptcy cases.

**Summary of Services by Project**

14. The services rendered by PSZ&J during the Interim period can be grouped into the categories set forth below. PSZ&J attempted to place the services provided in the category that best relates to such services. However, because certain services may relate to one or more categories, services pertaining to one category may in fact be included in another

category. These services performed, by categories, are generally described below, with a more detailed identification of the actual services provided set forth on the attached Exhibit A. Exhibit A identifies the attorneys and paraprofessionals who rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category.

**A. Bankruptcy Litigation**

15. This category relates to work regarding motions or adversary proceedings in the Bankruptcy Court. During the Interim Period, the Firm, among other things: (1) performed work regarding a motion to extend the removal deadline; (2) performed work regarding orders; (3) performed work regarding Agenda Notices and Hearing Binders; (4) attended to scheduling issues; (5) performed work regarding a motion in the Cooper Electric matter; (6) performed work regarding authorization to pay funds; and (7) conferred and corresponded regarding bankruptcy litigation matters.

Fees: \$8,356.50; Hours: 12.40

**B. Case Administration**

16. This category relates to work regarding administration of this case. During the Interim Period, the Firm, among other things: (1) reviewed and analyzed correspondence and pleadings and forwarded them to appropriate parties; (2) maintained a memorandum of critical dates; (3) maintained document control; and (4) performed work regarding Hearing Binders.

Fees: \$4,225.00; Hours: 16.00

**C. Claims Administration and Objections**

17. This category relates to work regarding claims administration and claims objections. During the Interim Period, the Firm, among other things, reviewed and analyzed claim-related documents, and corresponded regarding claim issues.

Fees: \$165.00; Hours: 0.20

**D. Compensation of Professionals**

18. This category relates to work regarding compensation of the Firm. During the Interim Period, the Firm, among other things: (1) performed work regarding its October 2015 monthly and First, Second, Third and Fourth quarterly fee applications; (2) drafted its November and December 2015 monthly fee applications; and (3) monitored the status and timing of fee applications.

Fees: \$10,484.50; Hours: 19.30

**E. Compensation of Professionals--Others**

19. This category relates to work regarding compensation of professionals, other than the Firm. During the Interim Period, the Firm, among other things, performed work regarding the fee hearing.

Fees: \$1,997.50; Hours: 5.30

**F. Financial Filings**

20. The category relates to issues regarding compliance with reporting requirements. During the Interim Period, the Firm, among other things, performed work regarding Monthly Operating Reports.

Fees: \$295.00; Hours: 0.70

**G. Financing**

21. The category relates to issues regarding Debtor in Possession (“DIP”) financing and use of cash collateral. During the Interim Period, the Firm, among other things, performed work regarding a cash collateral stipulation and final DIP financing order, attended to budget issues, and corresponded and conferred regarding financing issues.

Fees: \$8,433.50; Hours: 10.80

**H. Stay Litigation**

22. This category relates to issues regarding the automatic stay and relief from stay motions. During the Interim Period, the Firm, among other things, corresponded regarding a relief from stay stipulation.

Fees: \$210.00; Hours: 0.20

**I. Tax Issues**

23. This category relates to work regarding tax issues. During the Interim Period, the Firm, among other things, performed work regarding employee W-2 issues.

Fees: \$385.00; Hours: 0.70

**Valuation of Services**

24. Attorneys and paraprofessionals of PSZ&J expended a total 65.60 hours in connection with their representation of the Debtors during the Interim Period, as follows:

<b>Name of Professional Individual</b>	<b>Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise</b>	<b>Hourly Billing Rate (including Changes)</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
Laura Davis Jones	Partner 2000; Joined Firm 2000; Member of DE Bar since 1986	\$1,050.00	6.00	\$6,300.00
David M. Bertenthal	Partner 1999; Member of CA Bar since 1993	\$ 925.00	2.50	\$2,312.50
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Karen S. Neil	Case Management Assistant 2003	\$ 250.00	1.20	\$ 300.00
Beatrice M. Koveleski	Case Management Assistant 2009	\$ 250.00	1.00	\$ 250.00

**Grand Total: \$ 34,552.00**

**Total Hours: 65.60**

**Blended Rate: \$ 526.71**

25. The nature of work performed by these persons is fully set forth in Exhibit A attached hereto. These are PSZ&J's normal hourly rates for work of this character. The reasonable value of the services rendered by PSZ&J for the Debtors during the Interim Period is \$34,552.00.

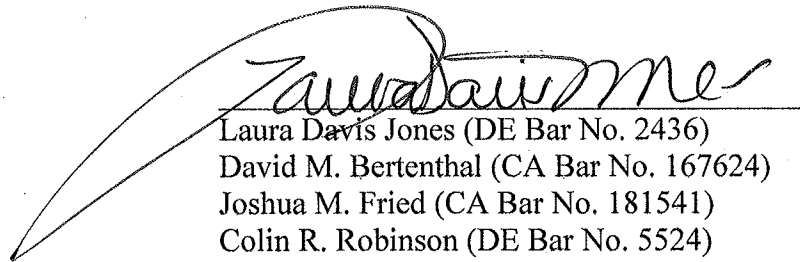
26. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by PSZ&J is fair and

reasonable given (a) the complexity of the case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under the Bankruptcy Code. Moreover, PSZ&J has reviewed the requirements of Del. Bankr. LR 2016-2 and the Administrative Order and believes that this Application complies with such Rule and Order.

WHEREFORE, PSZ&J respectfully requests that the Court enter an order, substantially in the form attached hereto, providing that, for the period of January 1, 2016 through January 31, 2016, an interim allowance be made to PSZ&J for compensation in the amount of \$34,552.00 and actual and necessary expenses in the amount of \$5,240.96 for a total allowance of \$39,792.96 and payment of \$27,641.60 (80% of the allowed fees) and reimbursement of \$5,240.96 (100% of the allowed expenses) be authorized for a total payment of \$32,882.56; and for such other and further relief as this Court deems proper.

Dated: April 11, 2016

PACHULSKI STANG ZIEHL & JONES LLP



Laura Davis Jones (DE Bar No. 2436)  
David M. Bertenthal (CA Bar No. 167624)  
Joshua M. Fried (CA Bar No. 181541)  
Colin R. Robinson (DE Bar No. 5524)  
Peter J. Keane (DE Bar No. 5503)  
919 North Market Street, 17<sup>th</sup> Floor  
P.O. Box 8705  
Wilmington, DE 19899-8705

Counsel for the Debtors and Debtors in Possession

**VERIFICATION**

STATE OF DELAWARE :

COUNTY OF NEW CASTLE :

Laura Davis Jones, after being duly sworn according to law, deposes and says:

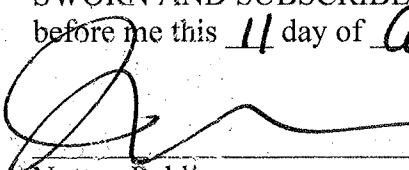
a) I am a partner with the applicant law firm Pachulski Stang Ziehl & Jones LLP, and have been admitted to appear before this Court.

b) I am familiar with many of the legal services rendered by Pachulski Stang Ziehl & Jones LLP as counsel to the Debtors.

c) 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 Del. Bankr. LR 2016-2 and the Administrative Order signed on or about January 6, 2015 and submit that the Application substantially complies with such Rule and Order.

  
Laura Davis Jones

SWORN AND SUBSCRIBED  
before me this 11 day of April, 2016.

  
K A JOHN BOWER  
NOTARY PUBLIC  
STATE OF DELAWARE  
My Commission Expires: My Commission Expires October 14, 2016