

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	
	§	
COUNTRY FRESH HOLDING COMPANY, INC., et. al.¹	§	Case No.: 21-30574
	§	
Debtors.	§	Jointly Administered
	§	

**TRUSTEE’S *LIMITED* OBJECTION TO THE FIRST AND FINAL FEE APPLICATION
OF ANKURA CONSULTING GROUP, LLC FOR ALLOWANCE AND PAYMENT
OF COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT
OF EXPENSES INCURRED DURING THE PERIOD FROM
FEBRUARY 15, 2021 THROUGH JUNE 21, 2021**

TO THE HONORABLE MARVIN ISGUR, UNITED STATES BANKRUPTCY JUDGE:

Janet S. Northrup, the Chapter 7 Trustee (the “**Trustee**”) of the bankruptcy estate of Country Fresh Holding Company, Inc. et. al. (“**Debtors**”), the debtors in the above-styled Chapter 7 case, files this Trustee’s *Limited* Objection to the First and Final Fee Application of Ankura Consulting Group, LLC for Allowance and Payment of Compensation for Services Rendered and Reimbursement of Expenses Incurred During the Period from February 15, 2021 through June 21, 2021 (the “**Limited Objection**”) and respectfully states as follows:

¹ The Debtors in these Chapter 7 cases and the last four digits of each Debtors’ taxpayer identification number are as follows: Country Fresh Holding Company Inc. (7822); Country Fresh Midco Corp. (0702); Country Fresh Acquisition Corp. (5936); Country Fresh Holdings, LLC (7551); Country Fresh LLC (1258); Country Fresh Dallas, LLC (7237); Country Fresh Carolina, LLC (8026); Country Fresh Midwest, LLC (0065); Country Fresh Orlando, LLC (7876); Country Fresh Transportation LLC (8244) CF Products, LLC (8404) Country Fresh Manufacturing, LLC (7839); Champlain Valley Specialty of New York, Inc. (9030); Country Fresh Pennsylvania, LLC (7969); Sun Rich Fresh Foods (NV) Inc. (5526); Sun Rich Fresh Foods (USA) Inc. (0429); and Sun Rich Fresh Foods (PA) Inc. (4661). The Debtors’ principal place of business is 3200 Research Forest Drive, Suite A5, The Woodlands, TX, 77381.

BACKGROUND

1. On February 15, 2021 (the “**Petition Date**”), the Debtors filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “**Bankruptcy Code**”).

2. On March 12, 2021, the Debtors filed the *Debtors’ Emergency Motion for Entry of an Order (I) Authorizing (A) Retention of Ankura Consulting Group, LLC and (B) Designation of Stephen Marotta as Chief Restructuring Officer Nunc Pro Tunc to the Petition Date; and (II) Granting Related Relief* [Dkt. No. 279].

3. On March 31, 2021, the Court entered its *Order Authorizing Debtors to (A) Retain Ankura Consulting Group, LLC; and (B) Designate Stephen Marotta as Chief Restructuring Officer Nunc Pro Tunc to the Petition Date* [Dkt. No. 451], whereby the employment of Ankura Consulting Group, LLC (“**Ankura**”) was approved.

4. The Debtors operated as a debtor-in-possession from the Petition Date until June 21, 2021 (the “**Conversion Date**”), when the Court entered its *Order (I) Authorizing and Approving the Conversion of the Chapter 11 Cases, (II) Extending the Designation Rights Period, and (III) Granting Related Relief* [Docket No. 719] (the “**Conversion Order**”) whereby the Debtors bankruptcy cases were converted to ones under Chapter 7 of the Bankruptcy Code. Thereafter, Janet S. Northrup was appointed as the Chapter 7 Trustee.

5. On July 12, 2021, Ankura filed its *First and Final Fee Application of Ankura Consulting Group, LLC for Allowance and Payment of Compensation for Services Rendered and*

Reimbursement of Expenses Incurred During the Period from February 15, 2021 through June 21, 2021 [Dkt. No. 777] (the “**Ankura Fee Application**”).

6. On July 22, 2021, the Trustee filed her *Application to Employ Ankura Consulting Group, LLC as Special Consultant Pursuant to 11 U.S.C. §§ 327(a) and 328* [Dkt. No. 799] (the “**Trustee Application to Employ Ankura**”), whereby the Trustee seeks to employ Ankura on an hourly basis effective as of the Conversion Date in order to assist with transition and wind-down services related to the Debtors as may be further described in the Trustee Application to Employ Ankura.

7. Since her appointment, the Trustee has, *inter alia*, diligently collected assets, engaged professionals, and performed case analysis and review, including the review of all pending professional fee applications.

LIMITED OBJECTION

8. The Trustee hereby objects to the Ankura Fee Application on the following limited grounds. First, the Ankura Fee Application includes an *estimate* for fees incurred after the Conversion Date in the amount of \$90,000.00 for certain anticipated post-conversion services by Ankura on behalf of the Debtors’ bankruptcy estates. The Ankura Fee Application does not attach or otherwise provide any description or time records relating to the actual post-conversion services provided by Ankura. With no notice of the actual, post-conversion services provided by Ankura, the Trustee is unable to ascertain whether any fees for those services may be objectionable under applicable legal standards, and, therefore, she objects to the entry of an order allowing \$90,000.00 for post-conversion services by Ankura.

9. Further, to the extent that Ankura now seeks fees in the Ankura Fee Application for any period that overlaps with the pending Trustee Application to Employ Ankura, such fees should

be denied and made subject to separate application by Ankura to ensure there is no duplication of fees.

10. Thus, the Trustee requests that the Court require Ankura to file a separate application for fees and/or expenses for any post-conversion services rendered to the Debtors.

11. The Trustee further objects to the Ankura Fee Application on the grounds that based on the preliminary analyses performed by the Trustee with her professionals, it is unclear whether funds will be available in the Debtors' bankruptcy estates to pay all fees sought by professionals for Chapter 11 administrative expenses including, but not limited to, Ankura in the Ankura Fee Application.

12. Thus, the Trustee objects to language in the proposed order directing the Trustee to promptly pay approved Chapter 11 professional fees. The Trustee will pay claims of the Debtors' bankruptcy estates according to the priorities set forth in the Bankruptcy Code in the normal course of the administration of the Debtors' bankruptcy estates.

13. Further, the Trustee requests that any order granting professional fees and expenses incurred during the Chapter 11 cases clarify that such fees and/or expenses are Chapter 11 administrative expenses subject to 11 U.S.C. § 726(b).

RESERVATION OF RIGHTS

14. The Trustee reserves the right to supplement this Limited Objection or to raise further objections to the Ankura Fee Application. Further, the Trustee reserves the right to renew or raise further objections at any later time when Ankura applies for any additional or subsequent fees relating to services provided by Ankura after the Conversion Date.

WHEREFORE, the Trustee requests that her limited objection be sustained and that she be granted such other and further relief to which she may be justly entitled.

Dated: July 26, 2021.

Respectfully submitted,

/s/ Heather Heath McIntyre

Wayne Kitchens TBN 11541110

wkitchens@hwa.com

Heather McIntyre TBN 24041076

hmcintyre@hwa.com

HUGHESWATTERSASKANASE, LLP

Total Plaza

1201 Louisiana, 28th Floor

Houston, Texas 77002

Telephone: (713) 759-0818

Facsimile: (713) 759-6834

**PROPOSED ATTORNEYS FOR CHAPTER 7
TRUSTEE, JANET S. NORTHRUP**

CERTIFICATE OF SERVICE

On July 26, 2021, the undersigned hereby certifies that a true and correct copy of the foregoing document was served on (i) parties receiving ECF notice via the Court's CM/ECF system in the above-referenced case, and (ii) parties listed on the attached Master Service List as via first-class, U.S. mail, postage prepaid to the extent not sent via ECF.

/s/ Heather Heath McIntyre

Heather Heath McIntyre