

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

In re:

GULF COAST HEALTH CARE, LLC, *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 21-11336 (KBO)
)
) (Jointly Administered)
)
) **Obj. Deadline: January 28, 2022 at 4:00 pm**
)

**SUMMARY COVER SHEET TO THE FIRST MONTHLY FEE APPLICATION OF FTI
CONSULTING, INC., FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED FOR
THE PERIOD OCTOBER 28, 2021 THROUGH NOVEMBER 30, 2021**

Name of Applicant:	FTI Consulting, Inc.
Authorized to provide professional services to:	Official Committee of Unsecured Creditors
Date of Retention:	December 1, 2021, <i>nunc pro tunc</i> to October 28, 2021
Period for which compensation and reimbursement are sought:	October 28, 2021, through November 30, 2021
Amount of compensation sought as actual, reasonable, and necessary:	\$283,989.50
Amount of expense reimbursement sought as actual, reasonable, and necessary:	\$0
This is an: <u> X </u> monthly <u> </u> interim <u> </u> final application.	

¹ The last four digits of Gulf Coast Health Care, LLC's federal tax identification number are 9281. There are 62 Debtors in these chapter 11 cases, for which the Debtors have requested joint administration. A complete list of the Debtors and the last four digits of their federal tax identification numbers are not provided herein. A complete list of such information may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://dm.epiq11.com/GulfCoastHealthCare>. The location of Gulf Coast Health Care, LLC's corporate headquarters and the Debtors' service address is 40 South Palafox Place, Suite 400, Pensacola, FL 32502.

COMPENSATION BY TIMEKEEPER

Professional	Position	Billing Rate	Total Hours	Total Fees
Zucker, Clifford	Senior Managing Director	\$ 1,085	68.0	\$ 73,780.00
Flaharty, William	Managing Director	860	10.3	8,858.00
Ganti, Narendra	Managing Director	895	50.0	44,750.00
Cheng, Earnestiena	Director	805	87.1	70,115.50
Tirabassi, Kathryn	Senior Consultant	635	97.2	61,722.00
Baltaytis, Jacob	Consultant	430	55.5	23,865.00
Hellmund-Mora, Marili	Associate	290	3.1	899.00
GRAND TOTAL			371.2	\$ 283,989.50

COMPENSATION BY PROJECT CATEGORY

Task Code	Task Description	Total Hours	Total Fees
1	Current Operating Results & Events	6.6	\$ 5,919.00
2	Cash & Liquidity Analysis	73.9	55,482.00
3	Financing Matters (DIP, Exit, Other)	29.3	23,585.50
5	Real Estate Issues	1.5	1,251.00
9	Analysis of Employee Comp Programs	2.0	1,962.00
10	Analysis of Tax Issues	0.8	868.00
11	Prepare for and Attend Court Hearings	64.9	46,182.00
12	Analysis of SOFAs & SOALs	1.9	1,206.50
13	Analysis of Other Miscellaneous Motions	43.8	35,394.00
14	Analysis of Claims/Liab Subject to Compro	3.4	2,708.00
16	Analysis, Negotiate and Form of POR & DS	2.7	2,929.50
18	Potential Avoidance Actions & Litigation	88.1	64,842.00
19	Case Management	0.7	759.50
20	General Mtgs with Debtor & Debtors' Prof	9.3	7,896.50
21	General Mtgs with UCC & UCC Counsel	28.2	24,299.50
22	Meetings with Other Parties	2.0	1,795.00
23	Firm Retention	12.1	6,909.50
GRAND TOTAL		371.2	\$ 283,989.50

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**FIRST MONTHLY FEE APPLICATION OF FTI CONSULTING, INC.,
FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD
OCTOBER 28, 2021 THROUGH NOVEMBER 30, 2021**

This first monthly fee application for compensation and reimbursement of expenses (the “Fee Application”) is filed by the consulting firm of FTI Consulting, Inc., together with its wholly owned subsidiaries (“FTI”) requesting payment for services rendered and reimbursement of costs expended as financial advisor for the Official Committee of Unsecured Creditors (the “Committee”) of the above-captioned debtors (the “Debtors”) for the period of October 28, 2021, through November 30, 2021 (the “Application Period”). In support of this Fee Application, FTI respectfully states as follows:

Jurisdiction

1. The Court has jurisdiction over this matter under 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 this chapter 11 case in this district is proper under 28 U.S.C. §§ 1408 and 1409.

¹ The last four digits of Gulf Coast Health Care, LLC’s federal tax identification number are 9281. There are 62 Debtors in these chapter 11 cases, for which the Debtors have requested joint administration. A complete list of the Debtors and the last four digits of their federal tax identification numbers are not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://dm.epiq11.com/GulfCoastHealthCare>. The location of Gulf Coast Health Care, LLC’s corporate headquarters and the Debtors’ service address is 40 South Palafox Place, Suite 400, Pensacola, FL 32502.

Background

2. On October 14, 2021 (the “Petition Date”), the Debtors filed with this Court their voluntary petitions for relief under chapter 11 of title 11 of the Bankruptcy Code. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors are continuing to operate their businesses and manage their properties and assets as debtors in possession.

3. On October 25, 2021 the Office of the United States Trustee appointed the Committee pursuant to section 1102 of the Bankruptcy Code. On October 28, 2021, the Committee selected Greenberg Traurig, LLP as its counsel (“Counsel”) and FTI Consulting, Inc. as its financial advisor. The Committee consists of the following members:

- a. Omnicare, Inc.;
- b. Medline Industries LP;
- c. Gordon Food Service; and
- d. Vista Clinical Diagnostics, LLC.

4. On December 1, 2021, the Court entered the *Order Authorizing Retention of FTI Consulting, Inc. as Financial Advisor for the Official Committee of Unsecured Creditors of Gulf Coast Health Care LLC, et al. Nunc Pro Tunc to October 28, 2021* [D.I. 483] (the “Retention Order”).

Relief Requested

5. FTI submits this Fee Application pursuant to sections 330 and 331 of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (the “Administrative Order”) [D.I. 296], and the Retention Order. By this Fee Application, FTI seeks interim allowance of compensation for actual and necessary professional services rendered in the amount of \$227,191.60 for the Application Period (80% of

\$283,989.50 total fees) in accordance with the terms of the Administrative Order. FTI reserves the right to request, in subsequent fee applications, reimbursement of any additional expenses incurred during the Application Period, as such expenses may not have been captured in FTI's billing system as of the date of filing this Fee Application.

Summary of Fees

6. The total number of hours expended by FTI professionals and paraprofessionals in performing professional services for the Committee during the Application Period was 371.2 hours. Pursuant to the Retention Order, FTI is entitled to monthly compensation for its services provided to the Committee at its current hourly rates, plus reimbursement of necessary out of pocket expenses.

7. Services rendered by each professional and paraprofessional during the Application Period, and a summary of the time incurred by task, followed by detailed time entries, are attached hereto as **Exhibit A**, **Exhibit B**, and **Exhibit C**. The following paragraphs describe the primary services rendered by FTI during the First Fee Period.

Code 2 – Cash & Liquidity Analysis (73.9 hours)

8. During the Application Period, FTI reviewed and analyzed key assumptions included in the initial Omega DIP budget as well as the New Ark cash collateral budget. As part of its evaluation of the Debtors budget assumptions, FTI analyzed supporting financial materials such as A/R aging reports, first day motion relief payments, and CARES funding requests. FTI closely monitored the Debtors' weekly liquidity position and compared actual cash performance to the Debtors' forecasted performance. FTI also participated in discussions with the Debtors' advisors to evaluate the assumptions incorporated in the cash flow forecasts and understand any material variances to the budget. Time in this task code includes preparing materials for the Committee to summarize the Debtors' cash forecast and the weekly actual liquidity position.

Code 3 – Financing Matters (DIP, Exit, Other) (29.3 hours)

9. Time spent in this task code during the Application Period relates to the review and analysis of the Debtors’ postpetition financing, including the appropriateness of key terms, milestones, and budgets associated therewith. Additionally, time spent in this task code includes reviewing DIP objections, creating a professional fees carveout analysis to inform DIP settlement negotiations, and preparing for the DIP hearing. FTI also assisted Counsel with the assessment of key DIP terms and findings of the carveout analysis.

Code 11 – Prepare for and Attend Court Hearings (64.9 hours)

10. FTI attended various key hearings throughout the case thus far, including the second day hearings as well as the DIP, RSA, and management and operations transfer agreement (“MOTA”) approval hearings. Time spent in this category includes preparation of demonstrative exhibits for presentation at the DIP hearings as well as correspondence with Counsel on the demonstrative exhibits.

Code 13 – Analysis of Other Miscellaneous Motions (43.8 hours)

11. FTI performed various analyses of the first day motions and other procedural motions filed in the court, including the insurance program motion, cash management motion, and other key first day motions. Additionally, time spent in this category includes FTI’s review and analysis of the Debtors’ MOTA, including evaluation of key assets and liabilities included in the MOTA and preparation of a summary of key terms therein. During the Application Period, FTI corresponded with the Debtors’ advisors and Counsel to discuss key terms of the MOTA and to assess the appropriateness of such terms.

Code 18 – Potential Avoidance Actions & Litigation (88.1 hours)

12. Time spent in this task code relates to the investigation of potential causes of action. FTI prepared detailed document request lists to assess potential causes of action and reviewed in

detail documents received from the Debtors pursuant to such requests. FTI assisted Counsel in the preparation of deposition questions to assess the potential causes of action and attended depositions of key parties in relation to these items. In connection with the evaluation of potential causes of action, time in this task code also includes the review of certain services agreements with insider affiliates and the evaluation of historical payments made to these affiliates to assess the appropriateness of such payments. Time spent in this task code also includes the review and evaluation of various insurance policies of the Debtors. During the Application Period, FTI corresponded with Counsel on numerous occasions to discuss and coordinate key workstreams related to the investigation of potential causes of action.

Code 21 – General Mtgs with UCC & UCC Counsel (28.2 hours)

13. Time recorded in this task code during the Application Period relates to time spent on various calls with the Committee and Counsel to discuss and provide recommendations on key case issues, including hearing updates, DIP/MOTA settlement negotiations, and liquidity updates. On these calls, FTI presented certain written materials and provided the Committee with updates, such as those related to post-petition financing, current liquidity position, and investigation of potential causes of action.

Actual and Necessary Costs and Expenses Incurred

14. FTI is not seeking reimbursement of expenses for this Application Period. FTI reserves the right to request, in subsequent fee applications, reimbursement of any additional expenses incurred during the Application Period, as such expenses may not have been captured in FTI's billing system on the date of filing this Fee Application.

Compliance with the Bankruptcy Code, the Bankruptcy Rules and Local Rules

15. In accordance with Del. Bankr. L.R. 2016-2, a summary schedule of hours and fees for each professional, and a summary of hours and fees categorized by project code are attached.

The undersigned submits that this Fee Application complies with Del. Bankr. L.R. 2016-2 and the Retention Order.

16. FTI submits that the services rendered and expenses incurred were actual and necessary and that the compensation sought is reasonable and in accordance with the standards of the Bankruptcy Code and Bankruptcy Rules.

17. No agreement or understanding exists between FTI and any other entity (other than shareholders or employees of FTI) for the sharing of compensation received or to be received for services rendered in or in connection with this case.

Notice

18. Notice of this Fee Application has been given to (i) the Debtors; (ii) the Debtors' counsel; (iii) the Committee's counsel; and (iv) the Office of the United States Trustee. In light of the nature of the relief requested, the Committee submits that no further notice is required.

WHEREFORE, FTI respectfully requests an interim allowance of compensation for professional services rendered as financial advisor to the Committee during the Application Period in the amount of \$227,191.60 for the Application Period (80% of \$283,989.50 total fees) pursuant to the Administrative Order; and such other and further relief that the Court deems just and proper.

Dated: January 7, 2022

FTI CONSULTING, INC.

By: /s/ Clifford A. Zucker

Clifford A. Zucker

1166 Avenue of the Americas, 15th Floor
New York, NY 10036

Telephone: 212-841-9355

E-mail: cliff.zucker@fticonsulting.com

Financial Advisors to the Official
Committee of Unsecured Creditors of
Gulf Coast Health Care, LLC

VERIFICATION PURSUANT TO DEL. BANKR. L.R. 2016-2(g) AND 28 U.S.C. § 1746

I, Clifford A. Zucker, pursuant to 28 U.S.C. § 1746, to the best of my knowledge and belief, and after reasonable inquiry, declare as follows:

1. I am a Senior Managing Director with the consulting firm FTI Consulting, Inc., together with its wholly owned subsidiaries (“FTI”). FTI has rendered professional services to the Official Committee of Unsecured Creditors (the “Committee”) in these Chapter 11 cases.

2. I have read the foregoing statement of FTI for compensation and reimbursement of expenses (the “Fee Application”). To the best of my knowledge, information and belief formed upon the basis of my participation in this case, as well as after reasonable inquiry, the facts set forth in the foregoing Fee Application are true and correct and materially comply with the applicable orders, rules, guidelines, and requirements as set forth by the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, Del. Bankr. L.R. 2016-2, and the Executive Office for the United States Trustee.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct, to the best of my information, knowledge, and belief.

Executed on: January 7, 2022

FTI CONSULTING, INC.

By: /s/ Clifford A. Zucker

Clifford A. Zucker

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