

PACHULSKI STANG ZIEHL & JONES LLP  
Bradford J. Sandler (*pro hac vice* forthcoming)  
Jordan A. Kroop (Arizona Bar No. 018825)  
Cia H. Mackle (*pro hac vice* forthcoming)  
780 Third Avenue, 34th Floor  
New York, NY 10017  
Telephone: (212) 561-7700  
Facsimile: (212) 561-7777  
bsandler@pszjlaw.com  
jkroop@pszjlaw.com  
cmackle@pszjlaw.com

*Proposed Counsel for the Official  
Committee of Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF ARIZONA**

In re:

LEGACY CARES, INC.,

Debtor.

Case No.: 2:23-bk-02832-DPC

Chapter 11

**VERIFIED STATEMENT OF  
JORDAN A. KROOP**

Jordan A. Kroop, under penalty of perjury, states:

1. I am an attorney at the firm of Pachulski Stang Ziehl & Jones LLP (“PSZJ”), which maintains an office for the practice of law at 780 Third Avenue, 34th Floor, New York, New York 10017. I submit this statement under sections 328 and 1103 of the Bankruptcy Code and Bankruptcy Rule 2014 in support of the contemporaneously-filed *Application to Employ Pachulski Stang Ziehl & Jones LLP as Counsel for the Official Committee of Unsecured Creditors as of May 15, 2023* (the “Application”).<sup>1</sup> Except as otherwise indicated, I have personal knowledge of the matters stated below and, if called as a witness, would testify competently to them.

2. I am duly admitted to practice law in the State of Arizona and am in good standing.

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<sup>1</sup> Unless otherwise defined in this Statement, capitalized terms retain the definition given to them in the Application.

**A. Qualifications**

3. PSZJ is particularly well-suited to serve as the Committee's counsel in this cases. PSZJ has approximately 75 attorneys with a practice concentrated on corporate reorganizations, bankruptcy, litigation, and commercial matters. PSZJ's attorneys have extensive experience representing creditors' committees, debtors, creditors, trustees, and others in a wide variety of bankruptcy cases. PSZJ attorneys have extensive experience representing creditors' committees in complex chapter 11 cases throughout the country. Based on these facts, the Committee believes that PSZJ is well-qualified to render the services as described below.

4. The Committee engaged PSZJ to serve as its counsel in this case in light of PSZJ's extensive expertise in chapter 11 reorganizations. PSZJ has the necessary background to deal effectively with the full range of potential legal issues and problems that may arise.

5. PSZJ has assembled an efficient and highly-qualified team of attorneys to service the Committee.

**B. Services to be Rendered**

6. The Committee proposes to employ PSZJ to render the following services in this chapter 11 case:

- a. advise and consult the Committee with respect to the Debtor's administration of this chapter 11 case;
- b. attend meetings and negotiate with representatives of the Debtor, creditors (including secured and unsecured creditors), and other parties in interest;
- c. advise and counsel the Committee in connection with any contemplated sales of assets, disposition of assets, or business combinations;
- d. advise the Committee on matters relating to the assumption, rejection, or assignment of unexpired leases and executory contracts;
- e. assist and advise the Committee in its examination and analysis of the conduct of the Debtor's affairs;
- f. assist the Committee in the review, analysis, and negotiation of any financing or funding agreements;

- g. take all necessary actions to protect and preserve the interests of the Committee, including, without limitation, the prosecution of actions on its behalf, negotiations concerning all litigation in which the Debtor is involved, and reviewing and analyzing of all claims filed against the Debtor's estate;
- h. analyze, advise, negotiate, and prepare on the Committee's behalf, if necessary and advisable under the circumstances, a chapter 11 plan, related disclosure statement, and all related agreements and documents and take any necessary action on the Committee's behalf with respect to any proposed plan;
- i. appear and advance the Committee's interests before this Court, any appellate courts, and the United States Trustee;
- j. prepare on behalf of the Committee all necessary motions, applications, answers, orders, reports, and papers in support of positions taken by the Committee; and
- k. perform all other reasonable and necessary legal services on behalf of the Committee in this chapter 11 case.

7. PSZJ is willing to serve as the Committee's counsel and to perform the services described above.

**C. Compensation**

8. PSZJ has never received any payment from the Debtor.

9. PSZJ will provide the Committee with monthly invoices for services rendered and disbursements incurred. These invoices will constitute requests for interim payment against the total reasonable fees and reimbursable expenses to be determined and paid only in accordance with orders of the Court.

10. PSZJ's fees are based on its customary hourly rates. PSZJ's hourly rates range between approximately \$725 to \$1,995 for attorneys, and \$495 to \$545 for paralegals. The attorneys primarily responsible for this matter will be Bradford J. Sandler, myself, and Cia H. Mackle, whose hourly rates for this particular matter are \$1,595, \$1,350, and \$925, respectively. The hourly rates charged by PSZJ attorneys and paralegals in this case are consistent with the rates that PSZJ charges its clients in similar matters.

11. PSZJ's hourly rates are subject to periodic increases in the normal course of PSZJ's business—usually as of the first day of a calendar year—owing to the increased experience of a particular professional and changes in the prevailing legal market.

12. Consistent with its policy with respect to its other clients, PSZJ will bill the Committee for charges and disbursements incurred in the rendition of legal services. These charges and disbursements include, among other things, costs for photocopying, travel, business meals, messengers, couriers, postage, witness fees, and other costs related to trials and hearings, all within the guidelines promulgated by the Executive Office of the United States Trustee. PSZJ does not anticipate incurring many of these types of costs in this engagement. PSZJ will not seek reimbursement for costs incurred for long distance and conference line telephone calls or for certain types of computer research.

13. PSZJ will apply to the Court for allowance of compensation for professional services rendered and reimbursement of charges and disbursements incurred in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules for the District of Arizona, and the orders of this Court. PSZJ will seek compensation for the services of each attorney and paralegal acting on the Committee's behalf at the then-current rate charged for such services in non-bankruptcy matters.

14. PSZJ has agreed to accept the compensation the Court allows on the basis of: (i) professional time spent; (ii) rates charged; (iii) the necessity of the services performed; (iv) the reasonableness of the time within which the services were performed in relation to the results achieved; and (v) the complexity, importance, and nature of the problems, issues, or tasks addressed.

15. Other than as set forth above, no arrangement is proposed between the Committee and PSZJ for compensation to be paid in these cases.

**D. Disinterestedness**

16. To the best of my knowledge, information, and belief, and in light of the disclosures below:

- a. PSZJ does not hold or represent an interest adverse to the Debtor's estate and is a "disinterested person," as that term is defined in section 101(14) of the Bankruptcy Code and modified by section 1103(b) of the Bankruptcy Code, with respect to the matters for which PSZJ is to be employed.
- b. Except for the "Connections" set forth herein, no PSZJ partner, counsel, or associate has any connection with the Debtor, its creditors, its estate, any United States District Judge or Bankruptcy Judge for the District of Arizona, the United States Trustee or any person employed in the office of the United States Trustee for Region 14, or any other party in interest, or their respective attorneys and accountants.
- c. Neither PSZJ nor any attorney at PSZJ is or was a creditor or an insider, director, officer, or employee of the Debtor. PSZJ is not an equity security holder of the Debtor.

17. PSZJ has is in the process of conducting a conflicts check through a search of its client database regarding any connections with the Committee, the Debtor, the Debtor's significant creditors, and other parties in interest (collectively, "Checked Parties"). A search of PSZJ's client database is designed to reveal any representation of, or potential conflict with, the party searched or any known subsidiary or affiliate. To date, PSZJ does not have any disclosures, but PSZJ recognizes that additional disclosures will be necessary if additional connections with the Checked Parties emerge in this case. PSZJ will supplement the disclosures in this Statement as necessary.

18. *Connections.* As of today, PSZJ does not represent any of the Checked Parties in any matters adverse to the interests of, or even related in any way to, the Debtor, its estate, or this case. The following are the Connections uncovered by my investigation:

- a. N/A

19. PSZJ does not have an interest materially adverse to the interests of the estate or of any class of creditors or equity security holders by reason of any direct or indirect relationship to, connection with, or interest in the Debtor or for any other reason.

20. If further conflicts investigation requires, regardless of whether the attorneys or employees who previously were employed by the Debtor, own stock of the Debtor, or previously represented any potential connection while at another law firm (the "Screened

Individuals”), an “Ethical Wall” will be erected to separate these attorneys and employees from all other PSZJ personnel, especially from those who are involved in PSZJ’s representation of the Committee. This Ethical Wall will supplement the pre-existing responsibility of every attorney at PSZJ under the codes and rules of professional ethics not to reveal a confidence or secret of a client, not to use a confidence or secret of a client to the disadvantage of a client, and not to use a confidence or secret of a client for the attorney’s own advantage or the advantage of a third person. The Screened Individuals will have no involvement in PSZJ’s representation of the Committee. I am presently unaware of any individual that would be subject to an Ethical Wall in this case.

21. In view of the foregoing, PSZJ is a “disinterested person” within the meaning of section 101(14) of the Bankruptcy Code.

Dated: May 17, 2023

/s/ Jordan A. Kroop

Jordan A. Kroop (Bar No. 018825)