

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**
www.flmb.uscourts.gov

IN RE:

Chapter 11 Cases

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|--|------------------------|
| RED LOBSTER MANAGEMENT LLC, ¹ | Case No. 6:24-bk-_____ |
| RED LOBSTER RESTAURANTS LLC, | Case No. 6:24-bk-_____ |
| RLSV, INC., | Case No. 6:24-bk-_____ |
| RED LOBSTER CANADA, INC. | Case No. 6:24-bk-_____ |
| RED LOBSTER HOSPITALITY LLC | Case No. 6:24-bk-_____ |
| RL KANSAS LLC | Case No. 6:24-bk-_____ |
| RED LOBSTER SOURCING LLC | Case No. 6:24-bk-_____ |
| RED LOBSTER SUPPLY LLC | Case No. 6:24-bk-_____ |
| RL COLUMBIA LLC | Case No. 6:24-bk-_____ |
| RL OF FREDERICK, INC. | Case No. 6:24-bk-_____ |
| RED LOBSTER OF TEXAS, INC. | Case No. 6:24-bk-_____ |
| RL MARYLAND, INC. | Case No. 6:24-bk-_____ |
| RED LOBSTER OF BEL AIR, INC. | Case No. 6:24-bk-_____ |
| RL SALISBURY, LLC, | Case No. 6:24-bk-_____ |
| RED LOBSTER INTERNATIONAL HOLDINGS LLC, | Case No. 6:24-bk-_____ |

Debtors.

(Joint Administration Pending)

**DEBTORS' MOTION FOR ORDER ESTABLISHING PROCEDURES
FOR MONTHLY AND INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR PROFESSIONALS**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”), by and through their proposed undersigned counsel, pursuant to 11 U.S.C. §§ 105(a) and 331, and Local Rule 2016-1(c)(2)(B), file this *Debtors’ Motion for Order Establishing Procedures for Monthly and Interim Compensation and Reimbursement of Expenses for Professionals* (the “Motion”) seeking the establishment of procedures for monthly and interim compensation of

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are Red Lobster Management LLC (6889); Red Lobster Sourcing LLC (3075); Red Lobster Supply LLC (9187); RL Kansas LLC (2396); Red Lobster Hospitality LLC (5297); Red Lobster Restaurants LLC (4308); RL Columbia LLC (7825); RL of Frederick, Inc. (9184); RL Salisbury, LLC (7836); RL Maryland, Inc. (7185); Red Lobster of Texas, Inc. (1424); Red Lobster of Bel Air, Inc. (2240); RLSV, Inc. (6180); Red Lobster Canada, Inc. (4569); and Red Lobster International Holdings LLC (4661). The Debtors’ principal offices are located at 450 S. Orange Avenue, Suite 800, Orlando, FL 32801.

chapter 11 professionals. In support of this Motion, the Debtors rely upon the *Declaration of Jonathan Tibus in Support of Debtors' Chapter 11 Petitions and First Day Relief* (the “First Day Declaration”), which was filed on or about the date hereof, and is incorporated herein by reference, and represent as follows:

Jurisdiction and Venue

1. This 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).
2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory bases for the relief requested herein are sections 105(a) and 331 of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), and rule 2016-1(c)(2)(B) of the Local Rules of the United States Bankruptcy Court for the Middle District of Florida.

Background

4. On May 19, 2024 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.
5. The Debtors are operating their businesses and managing their affairs as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.
6. For a detailed description of the Debtors and their operations, the Debtors respectfully refer the Court and parties in interest to the First Day Declaration.

Relief Requested and Basis Therefor

7. The Debtors request the Court to enter an order, substantially in the form attached hereto as **Exhibit A** establishing a procedure for compensating and reimbursing chapter 11 professionals employed by the Debtors and any statutory committee of creditors (if appointed) in these cases on a monthly basis, comparable to those established in complex chapter 11 cases in

this and other districts. In this way, the Court and parties-in-interest can more effectively monitor the fees incurred by professionals, and the Debtors will be able to spread out their payments of professional fees, rather than suffer larger depletions to their cash flows on an irregular basis.

8. In connection with these chapter 11 cases and at this juncture, the Debtors have filed applications to retain (i) King & Spalding LLP, as Debtors' general bankruptcy counsel; (ii) Berger Singerman LLP, as Debtors' bankruptcy co-counsel; (iii) Alvarez & Marsal North America, LLC, as financial advisor to the Debtors; (iv) Keen-Summit Capital Partners LLC, as Debtors' real estate advisors, and (v) Epiq Corporate Restructuring, LLC, as Debtors' claims and noticing agent. The filing of additional retention applications or motions may become necessary including, but not limited to, motions seeking authority to employ professionals utilized by the Debtors in the ordinary course of business ("OCPs"). The implementation of compensation procedures will provide a streamlined and otherwise efficient method for compensating professionals and as stated, such procedures will allow the Court and parties in interest to monitor fees sought by and paid to such professionals.

9. In summary, except as otherwise provided by Court order, the requested monthly compensation procedures would require all professionals retained with Court approval (the "Professionals") to represent to the Debtors and the official committee of unsecured creditors, if appointed (the "Committee") to provide a detailed statement of services rendered and expenses incurred for the prior month to Application Recipients (defined below). If no timely objection is asserted, the Debtors would promptly pay 80% of the amount of fees incurred for the month, with a 20% holdback, and 100% of out-of-pocket expenses for the month. These payments would be subject to the Court's subsequent approval as part of the normal interim fee application

process (approximately every 120 days), except as otherwise provided by Court orders as pertains to Court approved OCPs.

10. The Debtors propose that the monthly payment of compensation and reimbursement of expenses of the Professionals be structured as follows:

- a. On or before the 10th day of each month following the month for which compensation is sought, each Professional will serve a statement by mail or electronic transmission upon the (i) Debtors, Red Lobster Management LLC., *et al.*, 450 S. Orange Avenue, Suite 800, Orlando, FL 32801 (Attn: Nick Haughey, nhaughey@alvarezandmarsal.com); (ii) proposed counsel to the Debtors: King & Spalding LLP, 1180 Peachtree Street, NE, Suite 1600, Atlanta, GA 30309 (Attn: W. Austin Jowers, Esq., ajowers@kslaw.com, and Jeffrey R. Dutson, Esq., jdutson@kslaw.com), and Berger Singerman LLP, 1450 Brickell Avenue, Suite 1900, Miami, FL 33131 (Attn.: Paul Steven Singerman, Esq., singerman@bergersingerman.com); (iii) counsel for pre-petition secured agent and DIP agent, Fortress Credit Corp., Proskauer Rose LLP, One International Place, Boston, MA 02110 (Attn: Charles A. Dale, Esq., CDale@proskauer.com) and Proskauer Rose LLP, Eleven Times Square, New York, New York 10036 (Attn: Megan Volin, Esq., mvolin@proskauer.com and Dylan J. Marker, Esq., dmarker@proskauer.com); (iv) Office of the United States Trustee, George C. Young Federal Building, 400 West Washington Street, Suite 1100, Orlando, FL 32801; and (v) attorneys for the Committee, if any (collectively, the “Application Recipients”). The first statement to be issued by the Professionals will cover the period from the Petition Date through May 31, 2024. Thereafter, each Professional shall serve a monthly statement.
- b. The statement need not be filed with the Court and a courtesy copy need not be delivered to the presiding judge’s chambers since this Order is not intended to alter the fee application requirements outlined in §§ 330 and 331 of the Code, and since Professionals are still required to serve and file interim and final applications for approval of fees and expenses in accordance with the relevant provisions of the Code, the Bankruptcy Rules and the Local Rules for the United States Bankruptcy Court, Middle District of Florida.
- c. Each fee statement must contain an abbreviated narrative of the services rendered, be accompanied by a printout or schedule of the reimbursable expenses incurred, and the professional and paraprofessional time spent (in sufficient detail to allow the review of this time by the Application Recipients) which, except as set forth above for the first statement, shall ordinarily be for services rendered through a particular calendar month.

- d. Each Application Recipient receiving a statement may object to the payment of the fees or the reimbursement of costs set forth therein by serving a written objection (which shall not be filed with the Court) upon the other Application Recipients so as to have such objection actually received by the other Application Recipients on or before the 25th day of the month in which the statement is received. The objection shall state the nature of the objection and identify the amount of fees or costs to which objection is made. The objecting party shall attempt in good faith to object only to the portion of the statement that is deemed to be objectionable.
- e. In the absence of any timely objection, the Debtors are authorized to pay 80% of the fees and 100% of the expenses, except for fees or expenses as to which an objection may be served by one of the Application Recipients as provided below.
- f. If the Debtors receive an objection to a particular fee statement, the Debtors shall withhold payment of that portion of the fee statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. All Professionals subject to this Order shall establish a separate billing number for any time spent on the resolution of fee disputes. Any fees incurred in connection with such fee disputes shall not be paid pursuant to the monthly statement but may only be sought and paid upon the filing of an interim fee application as set forth below and after order of the Court.
- g. Similarly, if the parties to an objection are able to resolve their dispute following the service of an objection and if the party whose statement was objected to serves on all of the Application Recipients a statement indicating that the objection is withdrawn and describing in detail the terms of the resolution, then the Debtors are authorized to pay 80% of that portion of the fee statement which is no longer subject to an objection.
- h. All objections that are not resolved by the parties shall be preserved and presented to the Court by the objecting party at the next hearing on an interim or final fee application.
- i. The service of an objection shall not prejudice the objecting party's right to object to any fee application on any ground, whether or not raised in the objection. Furthermore, the decision by any party not to object to a fee statement shall not be a waiver of, nor otherwise prejudice, that party's right to object to any subsequent fee application.
- j. Unless the Court orders otherwise, each of the Professionals utilizing the procedures described in this Order shall file interim fee applications, for the amount of fees and costs sought above, in accordance with the 120-day guideline set forth in Section 331 of the Bankruptcy Code as follows:

- i. First Interim Fee Applications may be filed on or before September 20, 2024 (the “First Interim Fee Applications”). The First Interim Fee Applications shall represent fees and costs incurred by the Professionals from the Petition Date through August 31, 2024.
- ii. Thereafter, interim fee applications may be filed in accordance with the schedule set forth above covering the preceding four-month time period. All interim fee applications shall comply with the Appendix B Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under United States Code by Attorneys in Larger Chapter 11 Cases, and shall be served on the parties listed in paragraph 11(a) above and all parties on the Local Rule 1007-2 Parties in Interest List. The Court shall schedule and conduct a hearing upon proper notice in accordance with Bankruptcy Rule 2002(a)(6), to determine all interim fee applications pending before it.
- k. A Professional who fails to file an application seeking approval of compensation and expenses previously paid pursuant to these fee procedures when such application is due shall preclude such Professional from utilizing the automatic pay procedures as provided herein until an interim fee application has been filed and heard by the Court.
- l. A determination by the Court that payment of compensation or reimbursement of expenses was improper as to a particular statement shall not disqualify a Professional from the future payment of compensation or reimbursement of expenses as set forth above, unless otherwise ordered by the Court.
- m. Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement of expenses as provided herein shall have any effect on this Court’s interim or final allowance of compensation and reimbursement of expenses of any Professionals.

11. The Debtors will include all payments made to Professionals as contemplated herein in their monthly operating reports, identifying the amount paid to each Professional.

12. The procedures suggested herein will enable all parties to closely monitor costs of administration and will enable the Debtors to maintain a more level cash flow availability and implement efficient cash management.

13. As provided for in the proposed form of *Interim Order (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to use Cash Collateral on*

a Limited Basis, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief (the “Proposed Interim DIP Order”), the Debtors are to transfer cash proceeds from the DIP Facility² in an amount equal to the total budgeted weekly fees and expenses incurred by the Debtors’ retained Professionals for the first two weekly periods set forth in the Approved DIP Budget, and thereafter on a weekly basis the Debtors are to transfer cash proceeds from draws from the DIP Facility and/or cash on hand equal to the total budgeted weekly fees and expenses incurred by the Debtors’ and Committee’s (if appointed and as applicable) retained Professional into segregated trust account(s) at Debtors’ counsel’s law firm, Berger Singerman, LLP for the benefit of the Professionals (such account(s), the “Trust Account”). The payment of Professionals pursuant to the monthly compensation procedures herein, therefore, will be paid from such Trust Account.

Authority for Relief

14. Pursuant to section 331 of the Bankruptcy Code, all professionals are entitled to submit applications for interim compensation and reimbursement of expenses every 120 days “or more often if the Court permits . . .” 11 U.S.C. § 331. Section 105(a) of the Bankruptcy Code provides, in part, that the Court “may issue any order, process or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

15. As set forth in Local Rule 2016-1(c)(2)(B), upon motion and after notice and hearing in chapter 11 cases, the Court may consider approval of procedures for monthly payment of interim fee applications for professionals based on the needs of the case.

² Capitalized terms in this paragraph shall have the meaning ascribed to them in the Proposed Interim DIP Order.

16. Comparable procedures to those set forth herein have been adopted in other chapter 11 cases in this and other districts in the Eleventh Circuit. *See, e.g., In re Persimmon Hollow Brewing Company, LLC*, Case No. 6:23-bk-04742-GER (Bankr. M.D. Fla. Dec. 13, 2023); *In re AeroTech Miami Inc. d/b/a iAero Tech, et al.*, Case No. 23-17503-RAM (Bankr. S.D. Fla. Oct. 16, 2023); *In re Surge Transportation, Inc.*, Case No. 3:23-bk-01712-JAB (Bankr. M.D. Fla. July 27, 2023); *In re Delphi Behavioral Health Group, LLC, et al.*, Case No. 23-10945-PDR (Bankr. S.D. Fla. Mar. 10, 2023); *In re Vital Pharmaceuticals, Inc., et al.*, Case No. 22-17842-PDR (Bankr. S.D. Fla. Nov. 22, 2022); *In re Tamarac 10200, LLC, et al.*, Case No. 20-23346-PDR (Bankr. S.D. Fla. Dec. 31, 2020); *In re American Purchasing Services, LLC, et al.*, Case No. 20-23495-SMG (Bankr. S.D. Fla. Dec. 16, 2020); *In re Toojay's Management LLC, et al.*, Case No. 20-14792-EPK (Bankr. S.D. Fla. July 21, 2020); *In re NRP Lease Holdings, LLC, et al.*, Case No. 3:19-bk-4607-JAF (Bankr. M.D. Fla. Dec. 19, 2019); *In re Palm Healthcare Co., Inc., et al.*, No. 19-19156-EPK (Bankr. S.D. Fla. Sept. 19, 2019); *In re Goodman and Dominguez, Inc., et al.*, Case No. 16-10056-RAM (Bankr. S.D. Fla. April 21, 2016); *In re HearUSA, Inc.*, No. 11-23341-BKC-EPK (Bankr. S.D. Fla. May 20, 2011); and *In re Gulfstream Intern. Group, Inc., et al.*, No. 10-44131-BKC-JKO (Bankr. S.D. Fla. Nov. 8, 2010).

Reservation of Debtors' Rights

17. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

WHEREFORE, the Debtors respectfully requests the entry of an Order in the form attached hereto as **Exhibit A** (i) granting this Motion; (ii) authorizing the procedures for

compensating and reimbursing Professionals as set forth herein; and (iii) granting the Debtors such other and further relief as the Court deems appropriate.

Dated: May 20, 2024

Respectfully submitted,

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Jeffrey R. Dutson (pro hac vice pending)
Sarah Primrose (Bar No. 98742)
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Filer's Attestation: Pursuant to Local Rule 1001-2(g)(3) regarding signatures, Paul Steven Singerman attests that concurrence in the filing of this paper has been obtained.

Proposed Counsel for Debtors and Debtors-in-Possession

EXHIBIT A

(Proposed Order)

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
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IN RE:

Chapter 11 Cases

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¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are Red Lobster Management LLC (6889); Red Lobster Sourcing LLC (3075); Red Lobster Supply LLC (9187); RL Kansas LLC (2396); Red Lobster Hospitality LLC (5297); Red Lobster Restaurants LLC (4308); RL Columbia LLC (7825); RL of Frederick, Inc. (9184); RL Salisbury, LLC (7836); RL Maryland, Inc. (7185); Red Lobster of Texas, Inc. (1424); Red Lobster of Bel Air, Inc. (2240); RLSV, Inc. (6180); Red Lobster Canada, Inc. (4569); and Red Lobster International Holdings LLC (4661). The Debtors' principal offices are located at 450 S. Orange Avenue, Suite 800, Orlando, FL 32801.

Debtors.

(Joint Administration Pending)

**ORDER GRANTING DEBTORS' MOTION FOR ORDER ESTABLISHING
PROCEDURES FOR MONTHLY AND INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR PROFESSIONALS**

THIS CASE came before the Court on _____, 2024 at _____ a.m./p.m., in Orlando, Florida for hearing (the "Hearing") upon the *Debtors' Motion for Order Establishing Procedures for Monthly and Interim Compensation and Reimbursement of Expenses for Professionals* [ECF No. ____] (the "Motion") filed by the above-captioned debtors (the "Debtors").² The Motion requests the entry of an order establishing a procedure for compensating and reimbursing estate Professionals on a monthly basis. The Court, having considered the Motion, finds that: (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (b) venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; (c) this matter is core pursuant to 28 U.S.C. § 157(b)(2); (d) the Court may enter a final order consistent with Article III of the United States Constitution; (e) notice of the Motion and the Hearing thereon was sufficient under the circumstances and no other or further notice need be provided; (f) the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest; and (g) upon a review of the record before the Court, including the legal and factual bases set forth in the Motion and the First Day Declaration and the statements made by counsel at the Hearing, and being otherwise fully advised in the premises, does for the reasons stated on the record of the Hearing, all of which are incorporated herein; and after due deliberation and sufficient cause appearing therefor, has determined that good and sufficient cause exists to grant the relief requested. Accordingly, it is

ORDERED as follows:

² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.
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1. The Motion is **GRANTED**.
2. Except as may otherwise be provided in Court orders authorizing the retention of specific professionals, all Professionals retained by the Debtors or the Debtors' estates, including any Official Committee of Unsecured Creditors, in these chapter 11 cases may seek monthly compensation in accordance with the following procedures:

- a. On or before the 10th day of each month following the month for which compensation is sought, each Professional will serve a statement by mail or electronic transmission upon the (i) Debtors, Red Lobster Management LLC, *et al.*, 450 S. Orange Avenue, Suite 800, Orlando, FL 32801 (Attn: Nick Haughey, nhaughey@alvarezandmarsal.com); (ii) proposed counsel to the Debtors: King & Spalding LLP, 1180 Peachtree Street, NE, Suite 1600, Atlanta, GA 30309 (Attn: W. Austin Jowers, Esq., ajowers@kslaw.com, and Jeffrey R. Dutson, Esq., jdutson@kslaw.com), and Berger Singerman LLP, 1450 Brickell Avenue, Suite 1900, Miami, FL 33131 (Attn.: Paul Steven Singerman, Esq., singerman@bergersingerman.com); (iii) counsel for pre-petition secured agent and DIP agent, Fortress Credit Corp., Proskauer Rose LLP, One International Place, Boston, MA 02110 (Attn: Charles A. Dale, Esq., CDale@proskauer.com) and Proskauer Rose LLP, Eleven Times Square, New York, New York 10036 (Attn: Megan Volin, Esq., mvolin@proskauer.com and Dylan J. Marker, Esq., dmarker@proskauer.com); (iv) Office of the United States Trustee, George C. Young Federal Building, 400 West Washington Street, Suite 1100, Orlando, FL 32801; and (v) attorneys for the Committee, if any (collectively, the "Application Recipients"). The first statement to be issued by the Professionals will cover the period from the Petition Date through May 31, 2024. Thereafter, each Professional shall serve a monthly statement.
- b. The statement need not be filed with the Court and a courtesy copy need not be delivered to the presiding judge's chambers since this Order is not intended to alter the fee application requirements outlined in §§ 330 and 331 of the Code, and since Professionals are still required to serve and file interim and final applications for approval of fees and expenses in accordance with the relevant provisions of the Code, the Bankruptcy Rules and the Local Rules for the United States Bankruptcy Court, Middle District of Florida.
- c. Each fee statement must contain an abbreviated narrative of the services rendered, be accompanied by a printout or schedule of the reimbursable expenses incurred, and the professional and paraprofessional time spent (in sufficient detail to allow the review of this time by the Application

Recipients) which, except as set forth above for the first statement, shall ordinarily be for services rendered through a particular calendar month.

- d. Each Application Recipient receiving a statement may object to the payment of the fees or the reimbursement of costs set forth therein by serving a written objection (which shall not be filed with the Court) upon the other Application Recipients so as to have such objection actually received by the other Application Recipients on or before the 25th day of the month in which the statement is received. The objection shall state the nature of the objection and identify the amount of fees or costs to which objection is made. The objecting party shall attempt in good faith to object only to the portion of the statement that is deemed to be objectionable.
- e. In the absence of any timely objection, the Debtors are authorized to pay 80% of the fees and 100% of the expenses, except for fees or expenses as to which an objection may be served by one of the Application Recipients as provided below.
- f. If the Debtors receive an objection to a particular fee statement, the Debtors shall withhold payment of that portion of the fee statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. All Professionals subject to this Order shall establish a separate billing number for any time spent on the resolution of fee disputes. Any fees incurred in connection with such fee disputes shall not be paid pursuant to the monthly statement but may only be sought and paid upon the filing of an interim fee application as set forth below and after order of the Court.
- g. Similarly, if the parties to an objection are able to resolve their dispute following the service of an objection and if the party whose statement was objected to serves on all of the Application Recipients a statement indicating that the objection is withdrawn and describing in detail the terms of the resolution, then the Debtors are authorized to pay 80% of that portion of the fee statement which is no longer subject to an objection.
- h. All objections that are not resolved by the parties shall be preserved and presented to the Court by the objecting party at the next hearing on an interim or final fee application.
- i. The service of an objection shall not prejudice the objecting party's right to object to any fee application on any ground, whether or not raised in the objection. Furthermore, the decision by any party not to object to a fee statement shall not be a waiver of, nor otherwise prejudice, that party's right to object to any subsequent fee application.
- j. Unless the Court orders otherwise, each of the Professionals utilizing the procedures described in this Order shall file interim fee applications, for

the amount of fees and costs sought above, in accordance with the 120-day guideline set forth in Section 331 of the Bankruptcy Code as follows:

- i. First Interim Fee Applications may be filed on or before September 20, 2024 (the “First Interim Fee Applications”). The First Interim Fee Applications shall represent fees and costs incurred by the Professionals from the Petition Date through August 31, 2024.
- ii. Thereafter, interim fee applications may be filed in accordance with the schedule set forth above covering the preceding four-month time period. All interim fee applications shall comply with the Appendix B Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under United States Code by Attorneys in Larger Chapter 11 Cases, and shall be served on the parties listed in paragraph 3(a) above and all parties on the Local Rule 1007-2 Parties in Interest List. The Court shall schedule and conduct a hearing upon proper notice in accordance with Bankruptcy Rule 2002(a)(6), to determine all interim fee applications pending before it.
- k. A Professional who fails to file an application seeking approval of compensation and expenses previously paid pursuant to these fee procedures when such application is due shall preclude such Professional from utilizing the automatic pay procedures as provided herein until an interim fee application has been filed and heard by the Court.
- l. A determination by the Court that payment of compensation or reimbursement of expenses was improper as to a particular statement shall not disqualify a Professional from the future payment of compensation or reimbursement of expenses as set forth above, unless otherwise ordered by the Court.
- m. Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement of expenses as provided herein shall have any effect on this Court’s interim or final allowance of compensation and reimbursement of expenses of any Professionals.

3. The Debtors shall include all payments to Professionals on their monthly operating reports, detailed so as to state the amount paid to each of the Professionals.

4. The Debtors may not make any payments under this Order if the Debtors have not timely filed monthly operating reports or remained current with their administrative expenses

and 28 U.S.C. § 1930(a)(6). Otherwise, this Order shall continue and shall remain in effect during the pendency of the chapter 11 cases unless otherwise ordered by the Court.

5. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

6. Upon motion or application, and after due notice to all requisite parties in interest, additional professionals employed by the Debtors or Committee (if applicable) may be authorized to participate in the monthly compensation procedures as set forth herein and as provided in the Motion.

7. All Professionals subject to this Order shall be required to monitor their own compliance with the terms of this Order and shall include the following certification on each invoice: I hereby certify that I am in compliance with the terms of the *Order Granting Debtors' Motion for Order Establishing Procedures for Monthly and Interim Compensation and Reimbursement of Expenses for Professionals*.

8. Notwithstanding anything to the contrary contained herein, (i) any payment made or to be made, or authorization contained, hereunder shall be subject to the requirements imposed on the Debtors under any approved postpetition financing facility or any order regarding the use of cash collateral approved by the Court in these chapter 11 cases, including, without limitation, the *Interim Order (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to use Cash Collateral on a Limited Basis, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief* (the "DIP Order"), and (ii) to the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the DIP Order and the Approved DIP Budget (as defined in the DIP Order) shall control. For the avoidance of doubt, the Debtors

are not authorized to make payments pursuant to this Order except as permitted by the Approved DIP Budget (as defined in the DIP Order).

9. Payments made to Professionals pursuant to the monthly compensation procedures herein shall be paid from the Trust Account maintained by Berger Singerman, LLP for the benefit of Professionals, which Trust Account shall be funded in accordance with the DIP Order and the Approved DIP Budget.

10. The Debtors are authorized to take all reasonable actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

11. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

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(Attorney Paul Steven Singerman is directed to serve a copy of this order on interested parties who do not receive service by CM/ECF and file a proof of service within three days of entry of the order.)