

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

In re:)	
)	Chapter 11
Covington Credit of Texas, Inc.,)	
)	Case No. 24-90164 (MI)
Reorganized Debtor. ¹)	
)	Re: Case No. 24-90165 (MI); Docket
)	No. 378, 537

**SUMMARY COVER SHEET TO THE FIRST
INTERIM AND FINAL FEE APPLICATION OF
KPMG LLP FOR ENTRY OF AN ORDER GRANTING
INTERIM AND FINAL ALLOWANCE OF COMPENSATION FOR
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
PROVIDING TAX CONSULTING SERVICES TO THE DEBTORS FOR
THE PERIOD FROM MARCH 25, 2024 THROUGH AND INCLUDING JULY 19, 2024**

Name of Applicant:	KPMG LLP	
Applicant's Role in Case:	Provide Tax Consulting Services to the Debtors.	
Docket No. of Employment Order(s):	Case No. 24- 90165 (MI); Docket No. 350	
Interim Application <input checked="" type="checkbox"/>	First Interim and Final	
Final Application <input checked="" type="checkbox"/>		
	Beginning Date	End Date
Time period covered by this Application:	03/25/2024	07/19/2024
Were the services provided necessary to the administration of or beneficial at the time rendered toward the completion of the case? Yes		
Were the services performed in a reasonable amount of time commensurate with the complexity, importance and nature of the issues addressed? Yes		
Is the requested compensation reasonable based on the customary compensation charged by comparably skilled practitioners in other non-bankruptcy cases? Yes		
Do expense reimbursements represent actual and necessary expenses incurred? Yes		

¹ The last four digits of the taxpayer identification number for Covington Credit of Texas, Inc., is 2963. The location of the Debtor's service address for purposes of these chapter 11 cases is 101 N. Main Street, Suite 600, Greenville, SC 29601.

Compensation Breakdown for Time Period Covered by this Application	
Total professional fees requested in this Application:	\$2,540,096.10
Total professional hours covered by this Application:	2,759.3
Average hourly rate for professionals:	\$920.56
Total paraprofessional fees requested in this Application:	N/A
Total paraprofessional hours covered by this Application:	N/A
Average hourly rate for paraprofessionals:	N/A
Total fees requested in this Application:	\$2,540,096.10
Total expense reimbursements requested in this Application:	\$17.00
Total fees and expenses requested in <u>this</u> Application:	\$2,540,113.10²
Total fees and expenses awarded in all <u>prior</u> Applications:	No prior interim fee applications have been filed.
<p>Plan Status: On May 16, 2024, the Court confirmed the <i>Joint Prepackaged Plan of Reorganization of CURO Group Holdings Corp. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code (Modified)</i> [Case No. 24-90165 (MI); Docket No. 325] (the “<u>Plan</u>”) and entered the <i>Order Approving the Debtors’ Disclosure Statement for, and Confirming, the Joint Prepackaged Plan of CURO Group Holdings Corp. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code</i> [Case No. 24-90165 (MI); Docket No. 378] (the “<u>Confirmation Order</u>”). The Confirmation Order is final, non-appealable, and not subject to any pending appeal. The Effective Date and substantial consummation of the Plan occurred on July 19, 2024.³</p>	
<p>Primary Benefits: KPMG provided tax consulting services in connection with the restructuring of external and intercompany debt and/or members of the Debtors’ affiliated group, including determining the Debtors’ tax attributes and modeling tax implications on Debtors’ tax attributes and potential cash tax impact on various potential emergence transaction structures alternatives to enable the Debtors to determine the most tax efficient emergence transaction structure.</p>	

² KPMG is seeking court approval of \$2,540,113.10, however factoring in the retainer balance of \$33,981.00, KPMG is only seeking payment of \$2,506,132.10.

³ See *Notice of Occurrence of the Effective Date* [Case No. 24-90165 (MI); Docket No. 537].

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PROVIDING TAX CONSULTING SERVICES TO THE DEBTORS FOR
THE PERIOD FROM MARCH 25, 2024 THROUGH AND INCLUDING JULY 19, 2024**

Name of Applicant:	KPMG LLP
Authorized to Provide Professional Services to:	Debtors and Debtors in Possession
Date of Retention:	May 14, 2024 <i>Effective as of the Petition Date</i>
Period for which compensation and reimbursement is sought:	March 25, 2024 through July 19, 2024
Amount of Compensation sought as actual, reasonable, and necessary:	\$ 2,540.096.10
Amount of Expense Reimbursement sought as actual, reasonable, and necessary:	\$ 17.00
This is a: _____ Monthly <input checked="" type="checkbox"/> Interim <input checked="" type="checkbox"/> Final Application	

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Prior Monthly Applications Filed: Four

Date Filed / Docket No.	Period Covered	Requested		Approved by Court to Date	
		Fees	Expenses	Fees	Expenses
07/12/24 / Case No. 24-90165 (MI); Docket # 533 (1st monthly)	03/25/24 to 04/30/24	\$ 964,386.50	\$ -	\$ 771,509.20	\$ -
08/01/24 / Docket # 6 (2nd monthly)	05/01/24 to 05/31/24	\$ 780,975.80	\$ -	\$ 624,780.64	\$ -
08/14/24 / Docket # 18 (3rd monthly)	06/01/24 to 06/30/24	\$ 654,500.30	\$ -	\$ 523,600.24	\$ -
09/03/24 / Docket # 56 (4th monthly)	07/01/24 to 07/19/24	\$ 140,233.50 ²	\$ 17.00 ²	\$ -	\$ -
Total Fees Requested		\$ 2,540,096.10	\$ 17.00	\$ 1,919,890.08	\$ -

Prior Interim Applications Filed: None

² Objection period will expire on 09/17/24.

ATTACHMENT A
TO FEE APPLICATION

COMPENSATION BY PROFESSIONAL

Professional Person	Position & Department	Total Billed Hours	Hourly Billing Rate	Total Compensation
Ana Simunovic	Senior Associate - Bankruptcy	6.3	\$ 297	\$ 1,871.10
Bela Unell	Principal - M&A - Washington National Tax	79.9	\$ 1,475	\$ 117,852.50
Brad Lundberg	Managing Director - International Tax	8.0	\$ 1,369	\$ 10,952.00
Bradley Lancy	Managing Director - Accounting Advisory Services	10.5	\$ 925	\$ 9,712.50
Brian Brandenburg	Director - Accounting Advisory Services	20.3	\$ 785	\$ 15,935.50
Cari Janssen	Senior Manager - M&A Tax	190.7	\$ 1,177	\$ 224,453.90
Celeste Campbell	Manager - Bankruptcy	12.1	\$ 361	\$ 4,368.10
Chandler Whitney	Senior Associate - International Tax	23.7	\$ 816	\$ 19,339.20
Christine Fasano	Manager - Accounting Advisory Services	68.1	\$ 675	\$ 45,967.50
Crystal Latham	Manager - Tax - Economic & Valuation Services	8.9	\$ 986	\$ 8,775.40
Dan Hochuli	Associate - Economic & Valuation Services	17.0	\$ 493	\$ 8,381.00
David Casso	Managing Director - M&A Tax	7.5	\$ 1,369	\$ 10,267.50
David Konop	Principal - Economic & Valuation Services	9.4	\$ 1,326	\$ 12,464.40
David Wang	Senior Associate - Economic & Valuation Services	67.1	\$ 816	\$ 54,753.60
David Yanchik	Managing Director - State & Local Tax	31.5	\$ 1,369	\$ 43,123.50
Dylan Taylor	Manager - M&A Tax	9.7	\$ 986	\$ 9,564.20
Elizabeth Dyor	Managing Director - BTS - Washington National Tax	5.9	\$ 1,369	\$ 8,077.10
Eric Albritton	Senior Manager - M&A Tax	271.6	\$ 1,177	\$ 319,673.20
Grant Dalbey	Senior Manager - BTS - Washington National Tax	4.9	\$ 1,135	\$ 5,561.50
Howard Countryman	Associate - M&A Tax	4.1	\$ 493	\$ 2,021.30
Jack Mortell	Associate - International Tax	28.1	\$ 493	\$ 13,853.30
James Patdu	Director - Accounting Advisory Services	24.0	\$ 785	\$ 18,840.00
James Watson	Senior Manager - Economic & Valuation Services	1.0	\$ 1,135	\$ 1,135.00
Jeanie Kim	Manager - International Tax	25.8	\$ 986	\$ 25,438.80
Jeff Vogel	Principal - M&A - Washington National Tax	1.0	\$ 1,475	\$ 1,475.00
Jenny Huang	Associate - M&A Tax	16.2	\$ 493	\$ 7,986.60
Jon Finkelstein	Principal - BTS - Washington National Tax	0.7	\$ 1,475	\$ 1,032.50
Kim de Benedictis	Manager - Economic & Valuation Services	0.5	\$ 986	\$ 493.00
Kristen Gamboa	Managing Director - Intl Tax - Washington National Tax	1.4	\$ 1,369	\$ 1,916.60
Kyle Cruz	Senior Associate - M&A Tax	5.5	\$ 816	\$ 4,488.00
Lindsay Pester	Manager - M&A Tax	173.1	\$ 986	\$ 170,676.60
Madaline Minor	Associate - M&A Tax	143.5	\$ 493	\$ 70,745.50
Madison Todack	Associate - Economic & Valuation Services	2.9	\$ 493	\$ 1,429.70
Maria Frampton	Associate - M&A Tax	47.1	\$ 493	\$ 23,220.30

ATTACHMENT A
TO FEE APPLICATION

(continued)

COMPENSATION BY PROFESSIONAL

Professional Person	Position & Department	Total Billed Hours	Hourly Billing Rate	Total Compensation
Mario Mastrantoni	Partner - Accounting Advisory Services	2.5	\$1,000	\$ 2,500.00
Mark Hoffenberg	Principal - M&A - Washington National Tax	6.8	\$1,475	\$ 10,030.00
Maximilian Wassmann	Manager - Economic & Valuation Services	1.7	\$ 986	\$ 1,676.20
Mehr Punia	Associate - Accounting Advisory Services	49.9	\$ 450	\$ 22,455.00
Memory Liang	Director - Accounting Advisory Services	2.7	\$ 785	\$ 2,119.50
Michael Keating	Associate - International Tax	14.6	\$ 493	\$ 7,197.80
Michael Medley	Associate - Economic & Valuation Services	68.1	\$ 493	\$ 33,573.30
Michael Quinlan	Associate - State & Local Tax	36.7	\$ 472	\$ 17,322.40
Mike Paich	Senior Manager - State & Local Tax	9.2	\$1,113	\$ 10,239.60
Mila Orobia	Associate - Bankruptcy	246.4	\$ 255	\$ 62,832.00
Moe Abdeljalil	Partner - M&A Tax	114.6	\$1,369	\$ 156,887.40
Monika Golebiowski	Senior Manager - International Tax	7.0	\$1,135	\$ 7,945.00
Nancy Barboza	Senior Manager - M&A Tax	0.5	\$1,100	\$ 550.00
Nathaniel Kolbus	Associate - International Tax	12.3	\$ 493	\$ 6,063.90
Oliver Marron	Senior Associate - State & Local Tax	38.8	\$ 646	\$ 25,064.80
Pragya Mishra	Managing Director - Economic & Valuation Services	23.9	\$1,262	\$ 30,161.80
Rhonda Gibson	Senior Manager - Washington National Tax	0.4	\$ 801	\$ 320.40
Richard Strifler	Associate - Economic & Valuation Services	21.8	\$ 493	\$ 10,747.40
Sean Black	Manager - USTSL - State & Local Tax	63.8	\$ 986	\$ 62,906.80
Sean Robison	Managing Director - Tax - Economic Valuation Services	4.3	\$1,262	\$ 5,426.60
Serena Xu	Managing Director - M&A Tax	271.3	\$1,369	\$ 371,409.70
Stephen Marencik	Managing Director - Washington National Tax	83.9	\$1,369	\$ 114,859.10
Tom Keiswetter	Manager - M&A Tax	3.7	\$ 986	\$ 3,648.20
Tory Huber	Manager - M&A Tax	201.4	\$ 986	\$ 198,580.40
Tyler Pobirsky	Associate - State & Local Tax	34.4	\$ 472	\$ 16,236.80
Weber Ruan	Senior Manager - Economic & Valuation Services	36.3	\$1,135	\$ 41,200.50
Wendy Shaffer	Associate Director - Bankruptcy	14.1	\$ 404	\$ 5,696.40
Will Tierney	Senior Associate - Economic & Valuation Services	21.5	\$ 816	\$ 17,544.00
Yinka Kukoyi	Partner - M&A Tax	38.7	\$1,369	\$ 52,980.30
Hours and Fees at Discounted Rates		2,759.3		\$ 2,574,021.20
Total Discounted Fees				\$ 2,574,021.20
Less Voluntary Reduction - Valuation Services				\$ (33,925.10)
Total Requested Discounted Fees				\$ 2,540,096.10
Out of Pocket Expenses				\$ 17.00
Net Requested Fees & Out of Pocket Expenses				\$ 2,540,113.10³
Blended Hourly Rate (inclusive of voluntary reduction)			\$920.56	

³ KPMG is seeking court approval of \$2,540,113.10, however factoring in the retainer balance of \$33,981.00, KPMG is only seeking payment of \$2,506,132.10.

ATTACHMENT A
TO FEE APPLICATION
 (continued)

COMPENSATION BY PROJECT CATEGORY

Project Category	Total Hours Billed	Total Fees Requested
Restructuring Services	2,011.9	\$ 2,146,029.50
Retention Services	22.7	\$ 11,489.70
Fee Preparation Services	261.9	\$ 70,889.70
Valuation Services	284.4	\$ 227,761.90
General Tax Consulting Services	0.4	\$ 320.40
Accounting Advisory Services	178.0	\$ 117,530.00
<i>Less Voluntary Reduction - Valuation Services</i>		<i>\$ (33,925.10)</i>
Total	2,759.3	\$ 2,540,096.10

EXPENSE SUMMARY

Service Description	Amount
Airfare	\$ -
Lodging	\$ -
Meals	\$ -
Ground Transportation	\$ 17.00
Miscellaneous	\$ -
Total	\$ 17.00

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THE PERIOD FROM MARCH 25, 2024 THROUGH AND INCLUDING JULY 19, 2024**

If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at <https://ecf.txsb.uscourts.gov> within twenty-one days from the date this application was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within twenty-one days from the date this application was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

KPMG LLP, (“KPMG”) providing tax consulting services to the debtors and debtors-in-possession (collectively, the “Debtors”), and, as reorganized, the (“Reorganized Debtor”), files this First Interim and Final Fee Application (the “Application”), pursuant to sections 327, 328, and 330 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 2014-1 and 2016-1 of the Bankruptcy Local Rules of the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Local Rules”). By this Application, KPMG seeks interim and final allowance of

¹¹ The last four digits of the taxpayer identification number for Covington Credit of Texas, Inc., is 2963. The location of the Debtor’s service address for purposes of these chapter 11 cases is 101 N. Main Street, Suite 600, Greenville, SC 29601.

compensation for professional services performed and actual and necessary expenses incurred by KPMG for the period from March 25, 2024 through and including July 19, 2024 (the “Compensation Period”), in the amount of \$2,540,113.10² and respectfully represents:

Background

1. On March 25, 2024 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. On the Petition Date, the Court entered an order authorizing the procedural consolidation and joint administration of the Debtors’ chapter 11 cases pursuant to Bankruptcy Rule 1015(b) with the case of Debtor CURO Group Holdings Corp., Case No. 24-90165 (MI) serving as the main case [Case No. 24-90165 (MI); Docket No. 15]. No request for the appointment of a trustee or examiner has been made in the chapter 11 cases, and no official committees have been appointed or designated.

2. A description of the Debtors and their businesses and the events leading up to the filing of the voluntary petitions by the Debtors is provided in the *Declaration of Douglas Clark, Chief Executive Officer of the Debtors, in Support of Chapter 11 Petitions and First Day Pleadings* [Case No. 24-90165 (MI); Docket No. 8].

3. On April 17, 2024 the Debtors filed the *Debtors’ Application to Retain and Employ KPMG LLP to Provide Tax Consulting Services to the Debtors Effective as the Petition Date* (the “Retention Application”) [Case No. 24-90165 (MI); Docket No. 213] and in support of the Retention Application, the Debtors submitted the Declaration of Mohammad Abdeljalil, (the “Abdeljalil Declaration”).

4. By this Court’s Order, dated May 14, 2024 [Case No. 24-90165 (MI); Docket No. 350] (the “Retention Order”), the Debtors were authorized to retain KPMG to provide tax consulting

² KPMG is seeking court approval of \$2,540,113.10, however factoring in the retainer balance of \$33,981.00, KPMG is only seeking payment of \$2,506,132.10.

services effective as of the Petition Date. The Retention Order authorizes the Debtors to compensate KPMG in accordance with the procedures set forth in Bankruptcy Code sections 330 and 331, the Bankruptcy Rules, the Bankruptcy Local Rules, and such other procedures as were fixed by order of the Court.

5. Per paragraph 9 of the Retention Order, “To the extent the Debtors and KPMG wish to expand the scope of KPMG’s services beyond those services set forth in the Engagement Letters or this Order, the Debtors will file with the Court and serve on the U.S. Trustee and any official committee appointed in these chapter 11 cases a notice of such additional services including, if applicable, any such supplemental agreement(s) or engagement letters. Absent any objection filed within fourteen (14) days after the filing and service of such notice, KPMG shall be deemed authorized and approved to provide and be compensated for such additional services pursuant to this Order and the terms of such notice, supplemental agreement or engagement letter. To the extent any such parties object to such additional services, the Debtors shall promptly schedule a hearing before the Court within ten (10) days of receipt of any such objection or as soon thereafter as is practicable. All additional services shall be subject to the provisions of this Order.”

6. On May 16, 2024, the Court confirmed the Plan and entered the Confirmation Order. The Confirmation Order is final, non-appealable, and not subject to any pending appeal.

7. On May 23, 2024, an additional engagement letter seeking approval to provide additional services [Case No. 24-90165 (MI); Docket No. 430] was filed. On June 14, 2024, an additional letter seeking approval to provide additional services, [Case No. 24-90165 (MI); Docket No. 491] was filed.

8. The effective date (the “Effective Date”) and substantial consummation of the Plan occurred on July 19, 2024.³

9. On July 25, 2024, the Court entered the *Final Decree Closing Certain of the Chapter 11 Cases* [Case No. 24-90165 (MI); Docket No. 572] (the “Final Decree”). Pursuant to the Final Decree, Covington Credit of Texas, Inc., Case No. 24-90164 is the Debtors’ sole remaining open case.

Jurisdiction and Venue

10. This United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter under 28 U.S.C. §§1334. This is a core proceeding pursuant to 28 U.S.C. §157(b). The Debtors confirm their consent to the entry of a final order.

11. Venue is proper under 28 U.S.C. §§ 1408 and 1409.

12. The statutory bases for relief requested herein are Bankruptcy Code sections 327, 328 and 330, Rules 2014(a) and 2016 of the Bankruptcy Rules, and Rules 2014-1 and 2016-1 of the Bankruptcy Local Rules.

Summary of Application

13. During the Compensation Period, KPMG performed the services for which it is seeking compensation on behalf of or for the Debtors and their estates and not on behalf of any committee, creditor, or other person. By this Application, KPMG requests interim and final allowance of compensation of professional fees totaling \$2,540,096.10 and reimbursement of necessary and actual out-of-pocket expenses in the amount of \$17.00.

³ See *Notice of Occurrence of the Effective Date* [Case No. 24-90165 (MI); Docket No. 537].

Summary of Services Rendered During the Compensation Period

14. This Application is KPMG’s first interim and final application for compensation and expense reimbursement filed in these chapter 11 cases. During the Compensation Period, KPMG provided significant professional services to the Debtors in their efforts to navigate their businesses through the chapter 11 process.

15. Set forth below is a summary of the significant professional services that KPMG rendered to the Debtors during the Compensation Period and annexed hereto as Attachment A is a chart depicting KPMG professionals who rendered these services.

Restructuring Services

KPMG assisted the Debtors with various restructuring related tax consulting matters and projects, including but not limited to:

- i. Analysis of Section 382 issues related to potential restructuring alternatives, including high level historical Section 382 ownership shift analysis as well as a sensitivity analysis to reflect the Section 382 impact of any proposed and/or hypothetical equity transactions pursuant to a restructuring;
- ii. Analysis of net unrealized built-in gains and losses and Notice 2003-65 as applied to the ownership change, if any, resulting from or in connection with a restructuring;
- iii. Analysis of Debtors’ tax attributes, including net operating losses, tax basis in assets, and tax basis in stock of subsidiaries;
- iv. Analysis of cancellation of debt income, including the application of Section 108 and consolidated tax return regulations relating to the restructuring of non-intercompany debt and the completed capitalization/settlement of intercompany debt;
- v. Analysis of the application of the attribute reduction rules under Section 108(b) and Treasury Regulation Section 1.1502-28;
- vi. Analysis of tax implications of any internal reorganizations and proposal of restructuring alternatives;
- vii. Cash tax modeling of potential cash tax benefits or costs of different restructuring emergence transaction alternatives;
- viii. Cash tax modeling of potential cash tax benefits or costs of different future exit scenarios under different restructuring emergence transaction alternatives;
- ix. Analysis of tax implications of any dispositions of assets and/or subsidiary stock pursuant to the restructuring; and

- x. Restructuring emergence transaction steps and tax implications of the emergence transaction steps.

Valuation Services

KPMG Economic and Valuation Services (EVS) assisted the Debtors with valuation of certain assets and liabilities as part of Curo's compliance with financial reporting requirements under Financial Accounting Standards Board (FASB) ASC Topic 852, *Reorganization* as of the emergence date (07/19/24). The services provided during the period of 03/25/24 – 07/19/24 include:

- i. Interviewed with Curo personnel to understand the business and transaction;
- ii. Discussions with Curo regarding the identification of the intangible, financial and tangible assets, and the liabilities;
- iii. Analysis of Curo's historical financial statements prior to the emergence and forecasted financials post emergence;
- iv. Reviewed draft legal documents and financials data on the identified assets and liabilities; and
- v. Performed market research concerning the industry, competitors and the identified assets and liabilities.

General Tax Consulting Services

KPMG assisted the Debtors with communications with the IRS related to the status of tax refunds.

Accounting Advisory Services

KPMG assisted the Debtors with analysis and documentation related to accounting and financial reporting associated with the debtor-in-possession period, including designation of liabilities subject to compromise and reorganization items, recognition of new debtor-in-possession financing, and other accounting impacts associated with the court proceedings including petition filing and first day motions. KPMG also supported the planning and preparation for accounting at emergence and application of fresh start reporting, including review of the Plan of Reorganization, accounting assessment of the post-emergence debt financing, and restructuring of prepetition claims.

Retention Services

Services included researching client bankruptcy with regards to retention; the preparation of the KPMG declaration and retention order; discussions and fact finding with the KPMG partners as well as the Office of General Counsel; and discussions and correspondence with Debtors' counsel related to KPMG's employment application.

Fee Application Preparation

The billing procedures required by the US Trustee Guidelines differ from KPMG's normal billing procedures, and the Bankruptcy Local Rules required significant effort to inform the timekeepers of their responsibilities, compile the detailed time and expenses entries, and to begin to prepare the detailed and summary schedules of fees and expenses incurred.

16. During the Compensation Period, KPMG billed the Debtors for time expended by professionals based on hourly rates ranging from \$255 to \$1,475 per hour. The rates reflected in this Application represent approximately a 15%-50% discount from KPMG's standard rates. Of the aggregate time expended, 253.6 hours were expended by partners and principals, 448.2 hours were expended by managing directors, 47.0 hours were expended by directors, 14.1 hours expended by associate directors, 521.6 hours expended by senior managers, 568.8 hours were expended by managers and 906.0 hours were expended by senior associates and associates. KPMG's blended hourly rate for services provided during the Compensation Period is \$920.56.

17. KPMG maintains contemporaneous records of the time expended for the professional services and expenses related hereto performed in connection with these chapter 11 cases and such records are maintained in the ordinary course of business.

18. KPMG charges its fees in these chapter 11 cases in accordance with the terms set forth in the Retention Application and the corresponding Abdeljalil Declaration. The fees applied for herein are based on the usual and customary fees KPMG charges to its clients and are commensurate with the usual and customary rates charged for services performed.

19. Bankruptcy Code section 331 provides for interim compensation of professionals and incorporates the substantive standards of section 330 to govern the Court's award of such compensation. 11 U.S.C. § 331. Section 330 provides that a court may award a professional employed under Bankruptcy Code section 327 "reasonable compensation for actual, necessary

services rendered . . . and reimbursement for actual, necessary expenses.” Id. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

20. KPMG respectfully submits that the amounts applied for herein for professional services rendered on behalf of the Debtors in these cases to date are fair and reasonable given: (a) the time expended; (b) the nature and extent of the services performed at the time at which such services were rendered; (c) the value of such services; and (d) the costs of comparable services other than in these chapter 11 cases.

21. The time and labor expended by KPMG during the Compensation Period has been commensurate with the size and complexity of these cases. In rendering these services, KPMG has made every effort to maximize the benefit to the Debtors’ estates, to work efficiently with the other

professionals employed in these cases, and to leverage staff appropriately in order to minimize duplication of effort.

22. During the Compensation Period, KPMG provided a focused range of professional services as requested by the Debtors. KPMG respectfully submits that these services: (a) were necessary and beneficial to the successful and prompt administration of these cases; and (b) have been provided in a cost-efficient manner.

23. Except as set forth in the Retention Order, no promises concerning compensation have been made to KPMG by any firm, person, or entity.

Summary of Actual and Necessary Expenses During the Compensation Period

24. As set forth on Attachment A, KPMG is seeking reimbursement of actual and necessary expenses incurred by KPMG during the Compensation Period in the aggregate amount of \$17.00. These expenses are reasonable and necessary in light of the size and complexity of the Debtors' cases.

Reservation

25. To the extent that time for services rendered or disbursements incurred relate to the Compensation Period but were not processed prior to the preparation of this Application, KPMG reserves the right to request additional compensation for such services and reimbursement of such expenses in a future application. Furthermore, KPMG reserves the right to seek final approval of the fees and expenses requested therein.

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Conclusion

WHEREFORE, KPMG respectfully requests the Court enter an order, (i) approving and allowing, on an interim and final basis, compensation in the amount of \$2,540,096.10 for professional services performed on behalf of the Debtors during the Compensation Period and reimbursement of \$17.00 for actual and necessary expenses incurred during the Compensation Period; (ii) authorizing and directing the Reorganized Debtor to pay KPMG an amount equal to the sum of such allowed compensation and reimbursement⁴; and (iii) granting such other further relief as the Court deems just and proper.

Dated: September 3, 2024

Respectfully submitted,

/s/ Mohammad Abdeljalil

Mohammad Abdeljalil
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⁴ KPMG is seeking court approval of \$2,540,113.10 (total fees and expenses), however factoring in the retainer balance of \$33,981.00, KPMG is only seeking payment of \$2,506,132.10.

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

<p>In re:</p> <p>Covington Credit of Texas, Inc.,</p> <p style="text-align: center;">Reorganized Debtor.¹</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Chapter 11</p> <p>Case No. 24-90164 (MI)</p> <p>Re: Case No. 24-90165 (MI);</p> <p>Docket No. 378, 537</p>
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**FINAL ORDER ALLOWING COMPENSATION AND REIMBURSEMENT OF
EXPENSES INCURRED BY KPMG LLP PROVIDING TAX CONSULTING SERVICES
TO THE DEBTORS AND DEBTORS IN POSSESSION FOR THE PERIOD FROM
MARCH 25, 2024 THROUGH AND INCLUDING JULY 19, 2024**

The Court has considered the *First Interim and Final Fee Application of KPMG LLP for Entry of an Order Granting Interim and Final Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred Providing Tax Consulting Services to the Debtors for the Period from March 25, 2024 through and Including July 19, 2024* (the “Application”) filed by KPMG LLP (the “Applicant”) and, based on the Court’s examination of the record in this chapter 11 case, **THE COURT FINDS THAT:**

A. In making the following findings, the Court has considered the novelty and difficulty of the questions, issues, and problems addressed by the Applicant’s services through its representation of the Debtors during these bankruptcy cases.

B. The time that the Applicant spent on services provided to the Debtors, as recorded in the Application, was reasonable and necessary based on the complexity, importance, and nature of the chapter 11 cases.

¹The last four digits of the taxpayer identification number for Covington Credit of Texas, Inc., is 2963. The location of the Debtor’s service address for purposes of these chapter 11 cases is 101 N. Main Street, Suite 600, Greenville, SC 29601.

C. The billing rates that the Applicant charged are comparable to, and reasonable based on, rates charged by other professionals with similar experience and expertise in the Southern District of Texas.

D. The services provided by the Applicant were necessary to the administration of the chapter 11 cases.

IT IS THEREFORE ORDERED THAT:

1 The Applicant is allowed on an interim and final basis, compensation of fees in the amount of \$2,540,096.10 and reimbursement of actual and necessary expenses in the amount of \$17.00 for the period from March 25, 2024 through and including July 19, 2024.

2 The compensation and reimbursement of expenses allowed in this order are approved on a final basis.

3 The Reorganized Debtor is authorized to disburse all amounts allowed by paragraphs 1 or 2 of this order.

Signed:

MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE