

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

In re:	)	
	)	Chapter 11
KIKO USA, Inc.,	)	
	)	Case No. 18-10069 (MFW)
Debtor. <sup>1</sup>	)	
	)	<b>Hearing Date: <i>Only if Objections are Filed</i></b>
	)	<b>Objection Deadline: June 20, 2018 @ 4:00 p.m.</b>

**SUMMARY COVER SHEET TO THE FOURTH MONTHLY FEE APPLICATION  
OF SAUL EWING ARNSTEIN & LEHR LLP, COUNSEL TO THE DEBTOR,  
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES  
FOR THE PERIOD FROM APRIL 1, 2018 THROUGH APRIL 30, 2018**

Name of Applicant:	Saul Ewing Arnstein & Lehr LLP
Authorized to Provide Professional Services to:	Debtor and Debtor-in-Possession
Date of Retention:	<i>Nunc pro tunc</i> to January 11, 2018
Period for which compensation and reimbursement is sought:	April 1, 2018 through April 30, 2018
Amount of Compensation sought as actual, reasonable and necessary:	\$28,946.50 (80% of which is \$23,157.20)
Amount of Expense Reimbursement sought as actual, reasonable and necessary:	\$58.24

This is an: X monthly    \_\_\_ interim    \_\_\_ final application.

Saul Ewing Arnstein & Lehr LLP intends to seek compensation in connection with the preparation of this Application at a later date.

<sup>1</sup> The last four digits of the Debtor's federal tax identification number are 0805. The principal place of business for the Debtor is 470 Park Avenue South, 15th Floor New York, NY, 10016.

## Prior Applications:

<b>Date and Docket No.</b>	<b>Filing Period</b>	<b>Requested Fees</b>	<b>Requested Expenses</b>	<b>Approved Fees</b>	<b>Approved Expenses</b>	<b>Holdback (20%)</b>	<b>CNO Date and Docket No.</b>
03/26/2018 D.I. 184	01/11/2018 through 01/31/2018	\$53,841.50	\$219.15	\$43,073.20	\$219.15	\$10,768.30	04/19/2018 D.I. 215
04/02/2018 D.I. 200	02/01/2018 through 02/28/2018	\$42,189.50	\$297.15	\$33,751.60	\$297.15	\$8,437.90	05/03/2018 D.I. 238
05/11/2018 D.I. 269	03/01/2018 through 03/31/2018	\$34,116.00	\$15.00	\$0.00	\$0.00	\$34,131.00	Pending <sup>2</sup>
<b>TOTAL</b>		<b>\$130,147.00</b>	<b>\$531.30</b>	<b>\$76,824.80</b>	<b>\$516.30</b>	<b>\$53,337.20</b>	

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<sup>2</sup> The objection deadline is June 1, 2018.

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Debtor. <sup>1</sup>	)	
	)	<b>Hearing Date: <i>Only if Objections are Filed</i></b>
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**FOURTH MONTHLY FEE APPLICATION OF SAUL EWING ARNSTEIN & LEHR  
LLP, COUNSEL TO THE DEBTOR, FOR ALLOWANCE OF COMPENSATION AND  
REIMBURSEMENT OF EXPENSES FOR THE PERIOD  
FROM APRIL 1, 2018 THROUGH APRIL 30, 2018**

Saul Ewing Arnstein & Lehr LLP (“**Saul Ewing**” or “**Applicant**”), counsel to the debtor and debtor-in-possession (the “**Debtor**”), hereby applies to the Court for interim allowance of compensation for the period April 1, 2018 through April 30, 2018 (the “**Application Period**”) with respect to its retention as counsel to the Debtor. In support of this Application, Saul Ewing represents as follows:

**Jurisdiction**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are sections 330 and 331 of the Bankruptcy Code.

**Background**

3. On January 11, 2018 (the “**Petition Date**”), the Debtor filed with the United States Bankruptcy Court for the District of Delaware (the “**Court**”) a voluntary petition for relief

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<sup>1</sup> The last four digits of the Debtor’s federal tax identification number are 0805. The principal place of business for the Debtor is 470 Park Avenue South, 15th Floor New York, NY, 10016.

under chapter 11 of the Bankruptcy Code. The Debtor continues to operate its business and manage its properties as debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of unsecured creditors has been appointed in this chapter 11 case (the “**Chapter 11 Case**”).

4. On February 7, 2018, the Court entered the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 124] (the “**Interim Compensation Order**”), which sets forth the procedures for interim compensation and reimbursement of expenses for all professionals in the Chapter 11 Case.

#### **Retention of Saul Ewing**

5. On February 7, 2018, this Court entered the *Order Authorizing the Retention and Employment of Saul Ewing Arnstein & Lehr LLP as Counsel to the Debtor, Nunc Pro Tunc to the Petition Date* [Docket No. 120].

#### **Professional Services Rendered**

6. During the Application Period, Saul Ewing partners, associates and paraprofessionals rendered a total of 64.90 hours of professional services to the Debtor, and requests allowance of interim compensation in the amount of \$28,946.50. The blended hourly rate for the hours included in this Application is equal to \$446.02 per hour, calculated as to both attorneys and paraprofessionals. At all times, work was assigned to the attorney or paraprofessional with the lowest billing rate possible commensurate with the skill, background, responsibility and expertise needed to do the work efficiently.

7. Saul Ewing’s hourly rates are set at a level designed to compensate Saul Ewing for the work of its attorneys and paraprofessionals and to cover fixed and routine expenses. The hourly rates and corresponding hourly rates structure utilized by Saul Ewing in this Chapter 11 Case are equivalent to the hourly rates and corresponding rate structure used by Saul Ewing for

other corporate restructuring and bankruptcy matters, as well as similar complex corporate, labor, real estate and litigation matters, whether in court or otherwise, regardless of whether a fee application is required. Attached hereto as **Exhibit A** is a summary of the blended hourly rates for timekeepers who billed during the Application Period and Saul Ewing's firm-wide range of billing rates for its various positions.

8. Saul Ewing maintains computerized records of all time expended for the professional services rendered in connection with this Chapter 11 Case on behalf of the Debtor. Attached hereto as **Exhibit B** is a summary of fees incurred and hours expended during the Application Period along with a detailed, chronological itemization covering all the services performed by Applicant. This detailed itemization complies with Local Rule 2016-2(d) in that (i) each time entry contains a separate time allotment, a description of the type of activity and the subject matter of the activity, (ii) all time is billed in increments of one-tenth of an hour, and (iii) time entries are presented chronologically by Applicant.

9. Attached hereto as **Exhibit C** is a detailed itemization, by project category, of all services performed by Applicant with respect to these matters during the Application Period. Non-working travel time (to the extent applicable) is billed at 50% of normal rates.

10. Attached hereto as **Exhibit D** is a description of the costs actually expended by the Applicant in the performance of services rendered as counsel to the Debtor during the Application Period. These costs for which reimbursement is requested total \$58.24. The breakdown of costs includes the rate for copying charges (\$.10/page) and the basis for each rate, facsimile charges (\$.25/page – outgoing transmission only), telephone charges, postage, messenger service, outside photocopying, teleconferencing and legal research. By this Application, the Applicant does not seek expenses for incoming facsimile transmissions.

11. Attached hereto as **Exhibit E** is an Declaration of Applicant with respect to the compensation requested.

**Summary of Legal Services by Project Category**

12. The services rendered by Saul Ewing during the Application Period can be grouped in the categories set forth below. The following chart is a summary of the fees and hours billed for each project category during the Application Period.

<b>Project Category</b>	<b>Total Hours</b>	<b>Total Fees</b>
Asset Disposition	4.70	\$2,103.50
Business Operations	0.80	\$580.00
Case Administration	3.20	\$908.00
Claim Analysis, Objections, Proofs of Claim and Bar Date	0.50	\$331.50
Employee Benefits and Pensions	0.80	\$580.00
Executory Contracts and Unexpired Leases	18.30	\$9,239.50
Fee/Employment Application (Saul Ewing)	5.80	\$1,345.00
Fee/Employment Applications (Other Professionals)	9.00	\$2,440.00
Financing and Cash Collateral	1.20	\$715.00
Litigation: Contested Matters and Adversary Proceedings	1.10	\$455.50
Plan and Disclosure Statement	18.60	\$9,751.00
UST Reports, Meetings and Issues	0.90	\$497.50
<b>TOTAL</b>	<b>64.90</b>	<b>\$28,946.50</b>

13. These categories are generally described below, with a more detailed identification of the actual services provided set forth in **Exhibit C** attached hereto.

- (a) Asset Disposition. This category includes all matters relating to the disposition, and other post-petition uses of, property of the estate, including post-closing issues arising from the sale of substantially all of the Debtor's assets. Time in this category includes communicating with the Debtor regarding the sale of de minimis property; and drafting, revising and filing a motion for the sale of de minimis property. Saul Ewing spent 4.70 hours of attorney and paraprofessional time on the

foregoing services. Said services have a value of \$2,103.50 for which Saul Ewing is seeking compensation.

Asset Disposition			
Professionals	Position	Hours	Compensation
M. Minuti	Partner	0.90	\$652.50
M. DiSabatino	Associate	3.20	\$1,328.00
R. Warren	Paraprofessional	0.60	\$123.00
<b>Total</b>		<b>4.70</b>	<b>\$2,103.50</b>

- (b) Business Operations. This category includes all matters relating to the operation of the Debtor's businesses. Time in this category includes communicating with Perkins Coie LLP ("**Perkins**") and the Debtor regarding a strategy call, health insurance and employment contracts. Saul Ewing spent 0.80 hours of attorney time on the foregoing services. Said services have a value of \$580.00 for which Saul Ewing is seeking compensation.

Business Operations			
Professionals	Position	Hours	Compensation
M. Minuti	Partner	0.80	\$580.00
<b>Total</b>		<b>0.80</b>	<b>\$580.00</b>

- (c) Case Administration. This category includes all matters related to work regarding administration of the case. Time in this category includes drafting, revising and filing an agenda and amended agenda; preparing hearing binders; and communicating with BMC Group, Inc. ("**BMC**") regarding service instructions for various pleadings. Saul Ewing spent 3.20 hours of attorney and paraprofessional time on the foregoing services. Said services have a value of \$908.00 for which Saul Ewing is seeking compensation.

Case Administration			
Professionals	Position	Hours	Compensation
M. DiSabatino	Associate	1.20	\$498.00
R. Warren	Paraprofessional	2.00	\$410.00
<b>Total</b>		<b>3.20</b>	<b>\$908.00</b>

- (d) Claim Analysis, Objections, Proofs of Claim and Bar Date. This category includes all time spent in connection with claim and bar date issues. Time in this category includes communicating with Perkins and the Debtor

regarding claims issues; and communicating with BMC regarding the claims report. Saul Ewing spent 0.50 hours of attorney time on the foregoing services. Said services have a value of \$331.50 for which Saul Ewing is seeking compensation.

<b>Claim Analysis, Objections, Proofs of Claim and Bar Date</b>			
<b>Professionals</b>	<b>Position</b>	<b>Hours</b>	<b>Compensation</b>
M. Minuti	Partner	0.40	\$290.00
M. DiSabatino	Associate	0.10	\$41.50
<b>Total</b>		<b>0.50</b>	<b>\$331.50</b>

- (e) Employee Benefits and Pensions. This category includes all time spent in connection with various employee issues. Time in this category includes communicating with the Debtor and Perkins regarding employee, severance and bonus issues. Saul Ewing spent 0.80 hours of attorney time on the foregoing services. Said services have a value of \$580.00 for which Saul Ewing is seeking compensation.

<b>Employee Benefits and Pensions</b>			
<b>Professionals</b>	<b>Position</b>	<b>Hours</b>	<b>Compensation</b>
M. Minuti	Partner	0.80	\$580.00
<b>Total</b>		<b>0.80</b>	<b>\$580.00</b>

- (f) Executory Contracts and Unexpired Leases. This category includes all time spent in connection with contract and lease analysis, the assumption, assignment or rejection of executory contracts and unexpired leases, and cure claims. Time in this category includes drafting, revising and filing a certification of counsel regarding a revised order on the motion to assume leases and a motion to approve new office lease; reviewing and revising a rejection order on the headquarters' lease and an assumption order; communicating with the Debtor and Perkins regarding the Times Square lease, landlord issues, assumption motion, new office lease and list of executory contracts; reviewing a list of executory contracts and leases; and negotiating with landlords regarding resolution of issues with the assumption and rejection orders. Saul Ewing spent 18.30 hours of attorney and paraprofessional time on the foregoing services. Said services have a value of \$9,239.50 for which Saul Ewing is seeking compensation.



Executory Contracts and Unexpired Leases			
Professionals	Position	Hours	Compensation
M. Minuti	Partner	9.10	\$6,597.50
M. DiSabatino	Associate	2.1	\$871.50
M. Martinez	Associate	4.50	\$1,237.50
R. Warren	Paraprofessional	2.60	\$533.00
<b>Total</b>		<b>18.30</b>	<b>\$9,239.50</b>

- (g) Fee/Employment Applications (Saul Ewing). This category includes all matters related to the review and preparation of a retention application and fee applications for Saul Ewing. Time in this category includes drafting, revising and filing Saul Ewing's second monthly fee application and a certification of no objection on Saul Ewing's first monthly fee application. Saul Ewing spent 5.80 hours of attorney and paraprofessional time on the foregoing services. Said services have a value of \$1,345.00 for which Saul Ewing is seeking compensation.

Fee/Employment Applications (Saul Ewing)			
Professionals	Position	Hours	Compensation
M. Minuti	Partner	0.30	\$217.50
R. Warren	Paraprofessional	5.50	\$1,127.50
<b>Total</b>		<b>5.80</b>	<b>\$1,345.00</b>

- (h) Fee/Employment Applications (Other Professionals). This category includes all matters related to the review and analysis and filing of retention and fee applications for other professionals in this Chapter 11 case. Time in this category includes drafting, revising and filing a monthly staffing report and a certification of no objection regarding same, Perkins' second monthly fee application and a certification of no objection on Perkins' first monthly fee application; and communicating with Perkins regarding Perkins' fee applications. Saul Ewing spent 9.00 hours of attorney and paraprofessional time on the foregoing services. Said services have a value of \$2,440.00 for which Saul Ewing is seeking compensation.

Fee/Employment Applications (Other Professionals)			
Professionals	Position	Hours	Compensation
M. Minuti	Partner	0.70	\$507.50
M. DiSabatino	Associate	1.10	\$456.50
R. Warren	Paraprofessional	7.20	\$1,476.00
<b>Total</b>		<b>9.00</b>	<b>\$2,440.00</b>

- (i) Financing and Cash Collateral. This category includes all matters relating to debtor in possession financing and cash collateral issues. Time in this category includes communicating with Perkins and the Lender's counsel regarding the budget and exit financing; and reviewing the DIP budget and DIP order. Saul Ewing spent 1.20 hours of attorney time on the foregoing services. Said services have a value of \$715.00 for which Saul Ewing is seeking compensation.

Financing and Cash Collateral			
Professionals	Position	Hours	Compensation
M. Minuti	Partner	0.70	\$507.50
M. DiSabatino	Associate	0.50	\$207.50
<b>Total</b>		<b>1.20</b>	<b>\$715.00</b>

- (j) Litigation: Contested Matters and Adversary Proceedings. This category includes all matters related to litigation. Time in this category includes revising and filing a motion to extend the removal deadline; and drafting and filing a certification of no objection on the motion to extend the removal deadline. Saul Ewing spent 1.10 hours of attorney and paraprofessional time on the foregoing services. Said services have a value of \$455.50 for which Saul Ewing is seeking compensation.

Litigation: Contested Matters and Adversary Proceedings			
Professionals	Position	Hours	Compensation
M. Minuti	Partner	0.20	\$145.00
M. DiSabatino	Associate	0.60	\$249.00
R. Warren	Paraprofessional	0.30	\$61.50
<b>Total</b>		<b>1.10</b>	<b>\$455.50</b>

- (k) Plan and Disclosure Statement. This category includes time related to plan and disclosure issues. Time in this category includes communicating with Perkins and the Debtor regarding the plan documents and the plan timeline; reviewing, revising and filing the plan, disclosure statement and

voting procedures motion; and drafting, revising and filing a motion to shorten notice of the disclosure statement hearing and a motion for expedited consideration. Saul Ewing spent 18.60 hours of attorney and paraprofessional time on the foregoing services. Said services have a value of \$9,751.00 for which Saul Ewing is seeking compensation.

Plan and Disclosure Statement			
Professionals	Position	Hours	Compensation
M. Minuti	Partner	7.90	\$5,727.50
A. Isenberg	Partner	0.20	\$128.00
M. DiSabatino	Associate	8.30	\$3,444.50
R. Warren	Paraprofessional	2.20	\$451.00
<b>Total</b>		<b>18.60</b>	<b>\$9,751.00</b>

- (l) UST Reports, Meetings and Issues. This category includes time related to the preparation of operating reports and other information required by the UST or the Court. Time in this category includes communicating with the Office of the UST regarding the monthly operating report; and communicating with the Debtor regarding the monthly operating report and UST fees. Saul Ewing spent 0.90 hours of attorney time on the foregoing services. Said services have a value of \$497.50 for which Saul Ewing is seeking compensation.

UST Reports, Meetings and Issues			
Professionals	Position	Hours	Compensation
M. Minuti	Partner	0.40	\$290.00
M. DiSabatino	Associate	0.50	\$207.50
<b>Total</b>		<b>0.90</b>	<b>\$497.50</b>

- (m) Expenses. **Exhibit D** lists expenses, such as copying costs at 10¢ per page, postage, filing fees, transcripts, charges for telephonic Court appearances, charges for legal research. Saul Ewing has voluntarily reduced its copying charges from \$.25 per page to \$.10 per page, and has eliminated the cost of sending and receiving faxes. Saul Ewing seeks \$58.24 in expenses.

EXPENSES		
Expense Category	Service Provider (if applicable)	Total Expenses
Messenger Service	Parcels, Inc.	\$7.50
Overnight Delivery	Federal Express	\$11.94
Transcript	Elaine M. Ryan	\$38.80
<b>Total</b>		<b>\$58.24</b>

**Compensation Should Be Allowed**

14. The foregoing services in the total amount of \$28,946.50 provided by Saul Ewing on behalf of the Debtor during the Application Period were reasonable, necessary and appropriate to the administration of the Chapter 11 Case.

15. The attorneys who worked on this case during the Application Period have various levels and areas of expertise. Accordingly, it was necessary for these attorneys to consult with each other on different aspects and issues relating to the Chapter 11 Case. The attorneys involved in this case and their areas of expertise is attached hereto as **Exhibit F**.

16. Section 331 of the Bankruptcy Code provides for compensation of professionals and incorporates the standards of section 330 of the Bankruptcy Code to govern the Court's award of such compensation. Section 330 of the Bankruptcy Code provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered . . . and reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Section 330 of the Bankruptcy Code 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 should consider the nature, extend, 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; and
- (e) 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).

17. The services performed by Saul Ewing during the Application Period for which compensation is sought were necessary for, and beneficial to, the Debtor and the Debtor's estates. Saul Ewing submits that the compensation sought is reasonable.

18. Saul Ewing submits that the services provided to the Debtor by Saul Ewing during this Chapter 11 Case were necessary and appropriate given the complexity of this Chapter 11 Case, the issues involved, the nature and extent of services provided, and the cost of comparable services outside of bankruptcy, all of which are factors set forth in section 330 of the Bankruptcy Code. Accordingly, Saul Ewing respectfully submits that approval of the compensation sought for the Application Period is appropriate and should be approved.

19. Saul Ewing has reviewed the requirements of Del. Bank. L.R. 2016-2 and believes that this Application complies with the such requirements.

**Notice**

20. Notice of this Application is being provided to the Notice Parties identified in the Interim Compensation Order and to all other parties who have requested notice pursuant to Bankruptcy Rule 2002.

21. No prior request for the relief sought by this Application has been made to this or any other court.

WHEREFORE, Saul Ewing respectfully requests that the Court enter an Order (i) allowing, authorizing and directing payment of interim compensation in the amount of \$28,946.50 (80% of which is \$23,157.20) for legal services rendered on behalf of the Debtor during the Application Period, together with reimbursement of disbursements in the amount of \$58.24 and, (ii) granting such other and further relief as the Court deems just and proper.

Dated: May 30, 2018  
Wilmington, Delaware

/s/ Mark Minuti  
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