

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

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In re	: Chapter 11
	: :
Laboratory Partners, Inc., <i>et al.</i> , <sup>1</sup>	: Case No. 13-12769 (PJW)
	: :
Debtors.	: (Jointly Administered)
	: :
	: <b>Obj. Deadline: February 19, 2014 at 4:00 p.m. (ET)</b>
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**SECOND MONTHLY APPLICATION OF MORRIS, NICHOLS, ARSHT &  
TUNNELL LLP, AS BANKRUPTCY CO-COUNSEL TO DEBTORS AND  
DEBTORS IN POSSESSION, FOR ALLOWANCE OF INTERIM  
COMPENSATION AND FOR INTERIM REIMBURSEMENT OF ALL  
ACTUAL AND NECESSARY EXPENSES INCURRED FOR THE PERIOD  
DECEMBER 1, 2013 THROUGH DECEMBER 31, 2013**

Name of Applicant:	MORRIS, NICHOLS, ARSHT & TUNNELL LLP
Authorized to Provide Professional Services to:	Debtors
Date of Retention:	November 4, 2013, <i>nunc pro tunc</i> to October 25, 2013
Period for which compensation and reimbursement is sought:	December 1, 2013 Through December 31, 2013 <sup>2</sup>
Amount of compensation sought as actual, reasonable and necessary:	\$56,365.50

The Debtors and the last four digits of their taxpayer identification numbers are as follows: Laboratory Partners, Inc. (3376), Kilbourne Medical Laboratories, Inc. (9849), MedLab Ohio, Inc.(9072), Suburban Medical Laboratory, Inc. (0859), Biological Technology Laboratory, Inc. (4370), Terre Haute Medical Laboratory, Inc. (1809), and Pathology Associates of Terre Haute, Inc. (6485). Certain of the Debtors do business as MEDLAB. The Debtors' mailing address for notice in these cases is: 671 Ohio Pike, Suite K, Cincinnati, OH 45245.

<sup>2</sup> This Application includes a request for reimbursement for fees and expenses related to a prior period that were inadvertently omitted from a prior application.

Amount of reimbursement sought as  
actual, reasonable and necessary: \$712.29

This is an   x   interim        final application

The total time expended for fee application preparation is approximately 4.0 hours and the corresponding compensation requested is approximately \$1,310.00.<sup>3</sup>

If this is not the first application filed, disclose the following for each prior application:

<b>DATE FILED</b>	<b>PERIOD COVERED</b>	<b>REQUESTED FEES/EXPENSES</b>	<b>APPROVED FEES/EXPENSES</b>
12/23/13	10/25/13 – 11/30/13	\$116,625.00/\$1,565.70	\$93,300.00/\$1,565.70

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<sup>3</sup> Allowance for compensation for such time is not requested in this application, but will be sought in a subsequent fee application.

**COMPENSATION BY PROFESSIONAL****LABORATORY PARTNERS, INC., *et al.*****(Case No. 13-12769 (PJW))****December 1, 2013 through December 31, 2013**

<b>Name of Professional Person</b>	<b>Position of the Applicant and Area of Expertise</b>	<b>Hourly Billing Rate (including changes)</b>	<b>Total Billed Hours</b>	<b>Total Compensation</b>
Robert J. Dehney	Partner/Bankruptcy	820	10.30	\$8,446.00
Derek C. Abbott	Partner/Bankruptcy	635	2.20	1,397.00
Ann C. Cordo	Associate/Bankruptcy	490	.40	196.00
Erin Fay	Associate/Bankruptcy	415	78.10	32,411.50
Justin Kirk Houser	Associate/Bankruptcy	370	12.80	4,736.00
Tamara K. Minott	Associate/Bankruptcy	330	1.10	363.00
Renae M. Fusco	Paralegal	240	.60	144.00
Angela R. Conway	Paralegal	240	35.10	8,424.00
Marisa Maddox	Paralegal	240	.80	192.00
Theresa M. Naimoli	Case Clerk	140	.40	56.00
<b>Total</b>			<b>141.80</b>	<b>\$56,365.50</b>
<b>GRAND TOTAL:</b>	<b>\$56,365.50</b>			
<b>BLENDED RATE:</b>	<b>\$397.50</b>			

**COMPENSATION BY PROJECT CATEGORY****LABORATORY PARTNERS, INC., *et al.*****(Case No. 13-12769 (PJW))****December 1, 2013 through December 31, 2013<sup>4</sup>**

<b>Project Category</b>	<b>Total Hours</b>	<b>Total Fees</b>
Case Administration	1.20	\$ 584.50
Asset Disposition/363 Sales	24.10	11,634.50
Automatic Stay Matters	.20	83.00
Creditor Communications and Meetings	4.30	2,393.50
Fee Applications (MNAT – Filing)	7.40	2,026.50
Fee Applications (Others – Filing)	4.10	1,246.50
Executory Contracts/Unexpired Leases	14.10	5,025.00
Other Contested Matters	2.90	1,034.00
Governmental/Regulatory Matters	.90	454.50
Employee Matters	2.00	1,135.50
Financing Matters/Cash Collateral	3.60	1,632.00
Court Hearings	12.40	3,633.50
Claims Objections and Administration	7.20	2,828.00
Plan and Disclosure Statement	11.90	5,141.00
Litigation/Adversary Proceedings	2.20	822.50
Professional Retention (MNAT-Filing)	2.80	964.00
Professional Retention (Others-Filing)	7.10	2,727.00
Professional Retention (Others-Objections)	.20	83.00
General Case Strategy	.90	373.50
Schedules/SOFA/US Trustee Reports	32.30	12,543.50
<b>TOTAL</b>	<b>141.80</b>	<b>\$56,365.50</b>

<sup>4</sup> This Application includes a request for reimbursement for fees and expenses related to a prior period that were inadvertently omitted from a prior application.

**EXPENSE SUMMARY****LABORATORY PARTNERS, INC., *et al.*****(Case No. 13-12769 (PJW))****December 1, 2013 through December 31, 2013<sup>5</sup>**

<b>Expense Category</b>	<b>Service Provider (if applicable)</b>	<b>Total Expenses</b>
Court Costs		\$ 75.00
Meals		129.00
Messenger Service		36.00
Courier/Delivery Service		6.90
Postage		14.44
In-House Duplicating		269.50
Pacer		129.50
Conference Calls		51.95
<b>Grand Total Expenses</b>		<b>\$ 712.29</b>

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In re	:	Chapter 11
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Laboratory Partners, Inc., <i>et al.</i> , <sup>1</sup>	:	Case No. 13-12769 (PJW)
	:	
Debtors.	:	(Jointly Administered)
	:	
	:	Obj. Deadline: February 20, 2014 at 4:00 p.m. (ET)
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**SECOND MONTHLY APPLICATION OF MORRIS, NICHOLS, ARSHT &  
TUNNELL LLP, AS BANKRUPTCY CO-COUNSEL TO DEBTORS AND  
DEBTORS IN POSSESSION, FOR ALLOWANCE OF INTERIM  
COMPENSATION AND FOR INTERIM REIMBURSEMENT OF ALL  
ACTUAL AND NECESSARY EXPENSES INCURRED FOR THE PERIOD  
DECEMBER 1, 2013 THROUGH DECEMBER 31, 2013**

Morris, Nichols, Arsht & Tunnell LLP ("Morris Nichols"), bankruptcy co-counsel for Laboratory Partners, Inc., et al., and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"), submits this application (the "Application") for interim allowance of compensation for professional services rendered by Morris Nichols to the Debtors for the period December 1, 2013, through and including December 31, 2013 (the "Application Period")<sup>2</sup> and reimbursement of actual and necessary expenses incurred by Morris Nichols during the Application Period pursuant to sections 330 and 331 of title 11 of the United States Code (the "Bankruptcy Code"), Rule 2016 of the Federal Rules of Bankruptcy Procedure

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<sup>1</sup> The Debtors and the last four digits of their taxpayer identification numbers are as follows: Laboratory Partners, Inc. (3376), Kilbourne Medical Laboratories, Inc. (9849), MedLab Ohio, Inc.(9072), Suburban Medical Laboratory, Inc. (0859), Biological Technology Laboratory, Inc. (4370), Terre Haute Medical Laboratory, Inc. (1809), and Pathology Associates of Terre Haute, Inc. (6485). Certain of the Debtors do business as MEDLAB. The Debtors' mailing address for notice in these cases is: 671 Ohio Pike, Suite K, Cincinnati, OH 45245.

<sup>2</sup> This Application includes a request for reimbursement for fees and expenses related to a prior period that were inadvertently omitted from a prior application.



(the “Bankruptcy Rules”), Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), the United States Trustee’s Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses filed under 11 U.S.C. § 330, effective January 30, 1996 (the “U.S. Trustee Guidelines”) and the *Order Pursuant to Bankruptcy Code Sections 105(a) and 331, Bankruptcy Rule 2016 and Local Rule 2016-2 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* (D.I. 67) (the “Interim Compensation Procedures Order”).<sup>3</sup> In support of this Application, Morris Nichols represents as follows:

### **JURISDICTION**

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

2. The statutory predicates for the relief requested herein are sections 330 and 331 of the Bankruptcy Code, as supplemented by Bankruptcy Rule 2016, Local Rule 2016-2, the U.S. Trustee Guidelines, and the Interim Compensation Procedures Order.

### **BACKGROUND**

3. On October 25, 2013 (the “Petition Date”), the Debtors commenced their bankruptcy cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

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<sup>3</sup> Capitalized terms used but not defined herein have the meaning ascribed to them in the Interim Compensation Procedures Order.

4. The Debtors are operating their respective businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these cases.

5. On November 7, 2013, the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed an official committee of unsecured creditors (the "Committee"). See D.I. 80.

#### **MORRIS NICHOLS'S RETENTION**

6. Before the Petition Date, the Debtors engaged Morris Nichols as their bankruptcy co-counsel in connection with these bankruptcy cases. On November 4, 2013, the Debtors filed the *Debtors' Application for Entry of an Order Under Sections 327(a) and 1107(b) of the Bankruptcy Code, Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedures, and Local Rules 2014-1 and 2016-1 Authorizing Retention and Employment of Morris, Nichols, Arsht & Tunnell LLP as Bankruptcy Co-Counsel for the Debtors, Nunc Pro Tunc to the Petition Date* (D.I. 65) (the "Morris Nichols Retention Application").

7. On November 26, 2013, this Court granted the Morris Nichols Retention Application pursuant to the *Order Under Sections 327(a) and 1107(b) of the Bankruptcy Code, Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedures, and Local Rules 2014-1 and 2016-1 Authorizing Retention and Employment of Morris, Nichols, Arsht & Tunnell LLP as Bankruptcy Co-Counsel for the Debtors, Nunc Pro Tunc to the Petition Date* (D.I. 147) (the "Morris Nichols Retention Order").

#### **FEE PROCEDURES ORDER**

8. The Court entered the Interim Compensation Procedures Order on November 26, 2013. The Interim Compensation Procedures Order sets forth the procedures for interim compensation and reimbursement of expenses for all Professionals in these cases.



9. In particular, the Interim Compensation Procedures Order provides that a Professional may file and serve a Monthly Fee Application with the Court on or after the fifteenth (15<sup>th</sup>) day of each month following the month for which compensation is sought. Provided that there are no objections to such Monthly Fee Application filed within twenty days after the service of the Monthly Fee Application, the Professional may file a certificate of no objection (the "Certificate of No Objection") with the Court.

10. Upon the filing of a Certificate of No Objection, the Debtors are authorized to pay such Professional 80 percent of the fees and 100 percent of the expenses requested in such Monthly Fee Application. If a partial objection to the Monthly Fee Application is filed, then the Debtors are authorized to pay 80 percent of the fees and 100 percent of the expenses not subject to an objection.

#### **RELIEF REQUESTED**

11. Morris Nichols submits this Application for (a) allowance of reasonable compensation for the actual, reasonable, and necessary professional services that it has rendered as co-counsel for the Debtors in these cases during the Application Period and (b) reimbursement of actual, reasonable, and necessary expenses incurred by Morris Nichols in representing the Debtors during the Application Period.

12. During the Application Period, Morris Nichols incurred fees in the amount of \$56,365.50. For the same period, Morris Nichols incurred actual, reasonable, and necessary expenses totaling \$712.29. With respect to these amounts, as of the date of this Application, Morris Nichols has received no payments.

13. Set forth on the foregoing "Compensation by Project Category" is a summary, by subject matter category, of the time expended by Morris Nichols timekeepers billing time to the Debtors' cases during the Application Period.

14. As more specifically set forth in the detailed time logs attached hereto as **Exhibit A**, with the aid of Morris Nichols and the Debtors' bankruptcy co-counsel Pillsbury Winthrop Shaw Pittman LLP ("Pillsbury"), the Debtors were successful in obtaining certain relief essential to these chapter 11 proceedings, including, without limitation, authorization to (a) retain certain professionals in their cases; (b) establish bar dates for filing certain proofs of claim and requests for administrative expense payments; and (c) extend the Debtors' deadline to remove certain prepetition causes of actions pursuant to Bankruptcy Rule 9027.

15. Morris Nichols also assisted the Debtors by: (i) counseling the Debtors in preparation and filing of their schedules of assets and liabilities and statements of financial affairs; (ii) counseling the Debtors in matters related to rejection of contracts and preparing related notices; (iii) counseling the Debtors in matters related to the sale of their assets and preparing cure and other related notices; (iv) coordinating the review and filing of declarations by ordinary course professionals; and (v) reviewing amendments to the Debtors' postpetition financing and drafting and filing notices related thereto.

16. Morris Nichols also assisted Pillsbury and the Debtors in effectively addressing many of the emergencies and other matters involving vendors, suppliers, customers, employees and governmental agencies which occur at the commencement of a chapter 11 case. Further, Morris Nichols responded to numerous inquiries by vendors, suppliers, utilities, creditors and other interested parties, including the U.S. Trustee.

17. As noted, **Exhibit A** attached hereto contains logs, sorted by case project category, which show the time recorded by professionals, paraprofessionals and other support staff, as well as descriptions of the services provided.

18. Similarly, **Exhibit B** attached hereto contains a breakdown of actual, reasonable and necessary expenses incurred by Morris Nichols during the Application Period.

19. Morris Nichols charges \$.05 - \$.10 per page for photocopying.

20. Morris Nichols charges \$1.00 per page for outgoing domestic facsimiles and does not charge for incoming facsimiles.

21. In accordance with Local Rule 2016-2, Morris Nichols has reduced its request for compensation for non-working travel, if any, to 50% of its normal rate.

22. Morris Nichols has endeavored to represent the Debtors in the most expeditious and economical manner possible. Tasks have been assigned to attorneys, paralegals, and other support staff at Morris Nichols so that work has been performed by those most familiar with the particular matter or task and, where attorney or paralegal involvement was required, by the lowest hourly rate professional appropriate for a particular matter. Moreover, Morris Nichols has endeavored to coordinate with Pillsbury and the other professionals involved in these cases so as to minimize any duplication of effort and to minimize attorneys' fees and expenses to the Debtors. Morris Nichols believes it has been successful in this regard.

23. No agreement or understanding exists between Morris Nichols and any other person for the sharing of compensation received or to be received for services rendered in or in connection with these cases.

24. The undersigned has reviewed the requirements of Local Rule 2016-2 and certifies to the best of his or her information, knowledge, and belief that this Application complies with that Rule.

**WHEREFORE**, Morris Nichols respectfully requests that this Court (a) allow Morris Nichols (i) interim compensation in the amount of \$56,365.50 for actual, reasonable, and necessary professional services rendered on behalf of the Debtors during the Application Period; and (ii) interim reimbursement in the amount of \$712.29 for actual, reasonable, and necessary expenses incurred during the Application Period; (b) authorize and direct the Debtors to pay to Morris Nichols the amount of \$45,804.69 which is equal to the sum of 80% (\$45,092.40) of Morris Nichols's allowed interim compensation and 100% (\$712.29) of Morris Nichols's allowed expense reimbursement; and (c) grant such other and further relief as is just and proper.

Dated: January 30, 2014  
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Erin R. Fay

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