

**IN THE UNITED STATES BANKRUPTCY COURT**

**FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
Laboratory Partners, Inc., <i>et al.</i> , <sup>1</sup>	)	Case No. 13-12769 (PJW)
	)	Jointly Administered
Debtors.	)	
	)	<b>Objection Deadline: February 20, 2014</b>
	)	<b>at 4:00 p.m.</b>
	)	

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**FIRST MONTHLY APPLICATION OF BMC GROUP, AS ADMINISTRATIVE AGENT  
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**

<b>Name of Applicant:</b>	BMC Group, Inc. ("BMC Group")
<b>Authorized to Provide Professional Services to:</b>	The above-captioned debtors and debtors in possession
<b>Date of Retention:</b>	Retention Order entered December 12, 2013; effective as of October 25, 2013
<b>Period for which Compensation and Reimbursement is Sought:</b>	December 1 through December 31, 2013
<b>Amount of Compensation Sought as Actual, Reasonable and Necessary:</b>	\$ 24,100.50
<b>Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:</b>	\$ 0.00

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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.

This is a: ☒ **Monthly Application** ☐ **Quarterly Application** ☐ **Final Application**

The total time expended for preparation of this fee application is approximately 4.0 hours and the corresponding compensation requested is approximately \$820.00.<sup>2</sup>

This is the First Application filed by BMC GROUP.

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

**PRIOR APPLICATIONS**

<b>Date Filed</b>	<b>App No.</b>	<b>Period Covered</b>	<b>Requested Fees</b>	<b>Requested Expenses</b>	<b>Approved Fees</b>	<b>Approved Expenses</b>

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<sup>2</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

Name of Professional Person	Position with Applicant, Number of Years in Position, Prior Relevant Experience, Licenses and Year Obtained, Area of Expertise	Hourly Billing Rate (Including Changes)	Total Hours Billed	Total Compensation
Varouj Bakhshian	Director and Project Manager with BMC since 2002; fifteen years of prior experience as a bankruptcy attorney and paralegal representing debtors, creditors, committees, trustees and other interested parties in insolvency and restructuring matters.	\$205.00	84.00	\$17,220.00
Steve Ordaz	Senior Consultant, with BMC since 2006; nineteen years of prior experience as a bankruptcy attorney.	\$125.00	28.60	3,575.00
Lorraine Moskowitz	Consultant/Analyst; with BMC since 2010.	\$55.00	2.90	159.50
Mike Grimmett	Senior Data Consultant/Analyst, with BMC since 2002; twelve years prior experience bankruptcy and data programming.	\$55.00	22.40	1,232.00
Gunther Kruse	Data Consultant/Analyst, with BMC since 2002; eight years prior experience in IT industry as database administrator and network manager	\$55.00	20.10	1,105.50
Jacqueline Conklin	Senior Data Analyst, with BMC since 2001.	\$55.00	14.70	808.50

<b>Grand Total:</b>	Actual Fees: <b>\$24,100.50</b>	Hours: <b>172.70</b>
<b>Blended Rate:</b>	<b>\$139.55</b>	

**COMPENSATION BY PROJECT CATEGORY**

LABORATORY PARTNERS, INC., et al.

(Case No. 13-12769 (PJW))

December 1, 2013 through December 31, 2013

Project Category	Total Hours	Total Fees
Schedule and SOFA Support	172.70	\$24,100.50
Travel	0.0	\$0.00
Actual Total	<b>172.70</b>	<b>\$24,100.50</b>

**EXPENSE SUMMARY**

Expense Category	Service Provider (If Applicable)	Total Expenses
<b>Total</b>		<b>\$0.00</b>

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Laboratory Partners, Inc., <i>et al.</i> , <sup>3</sup>	)	Case No. 13-12769 (PJW)
	)	Jointly Administered
Debtors.	)	
	)	Objection Deadline: February 20, 2014 at
	)	4:00 p.m.
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**FIRST MONTHLY APPLICATION OF BMC GROUP, AS ADMINISTRATIVE AGENT  
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**

BMC Group Inc. ("BMC Group"), Administrative Agent to the above-captioned debtors and debtors-in-possession (the "Debtors"), hereby submits its first monthly application (the "Application") for interim allowance of compensation for services rendered and reimbursement of actual and necessary expenses for the period from December 1, 2013 through and including December 31, 2013 (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 (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* (Docket No. 145) (the "Interim

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<sup>3</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.

Compensation Procedures Order”). In support of this Application, BMC Group represents as follows:

**JURISDICTION**

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

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

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”). [Docket No. 80].

**BMC GROUP RETENTION**

6. On December 12, 2013, this Court entered an *Order Approving Debtors’ Application For Entry Of An Order Pursuant To Sections 327(a), 328(a) and 1107(b) of the Bankruptcy Code and Bankruptcy Rule 2014 Authorizing the Employment and Retention of BMC Group as Administrative Agent, Effective Nunc Pro Tunc to the Petition Date* [Docket No. 202].

**FEE PROCEDURES ORDER**

7. The Court entered the Interim Compensation Procedures Order on November 26, 2013. The Interim Compensation Procedures Order set forth the procedures for interim compensation and reimbursement of expense for all Professional in these cases.

8. 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.

9. 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**

10. By this Application, BMC Group seeks a monthly interim allowance of compensation in the amount of \$24,100.50 and actual expenses in the amount of \$0.00, for an aggregate total of \$24,100.50 in accordance with the Interim Compensation Procedures Order. BMC Group hereby seeks payment of \$19,280.40 (80% of the allowed fees) and reimbursement of \$0.00 (100% of allowed expenses), for an aggregate total payment of \$19,280.40 for the Application Period upon the filing of a Certificate of No Objection.

11. Set forth on the foregoing “Compensation by Project Category” is a summary, by subject matter category, of the time expended by BMC Group timekeepers billing time to the Debtors’ cases during the Application Period.

12. The services rendered by BMC Group during the Application Period are listed on the attached **Exhibit A** (Professional Activity Summary) and are set forth in chronological detail by project category. The time records provide: (i) a description of the individual timekeeper performing the services; (ii) the date the services were performed; (iii) a detailed description of the nature of the services and the related time expended; and (iv) a summary of the fees and hours of each individual timekeeper. Specifically, BMC Group rendered the following services during the Application Period as Administrative Agent to the Debtors:

a) Schedules and SOFA Preparation

This category includes services relating to the preparation of the Debtors' Schedules of Assets and Liabilities ("Schedules") and Statement of Financial Affairs ("SOFA"). Detailed descriptions of the work conducted by BMC directors, managers, consultants and data analysts are set forth on **Exhibit A**. By way of summary, BMC personnel assisted the Debtors, their counsel and financial advisor in preparing the Schedules and SOFAs for seven separate debtor entities. Over the course of 30 days BMC personnel received countless email communications and data files from the Debtors, their counsel and financial advisor; they logged, tracked and accounted for the files; they entered data into BMC's proprietary database; they prepared, reviewed and revised five separate drafts of the Schedules and SOFAs for each debtor entity; they attended several conference calls with the Debtor's personnel and professionals at which these drafts were discussed and revisions were proposed; and they prepared final versions of the Schedules and SOFAs which were filed with the Court.

The Debtors benefited from BMC Group's efficient processes and ability to handle large data sets, its proprietary software which allows BMC Group to turn raw data into the official forms required for the Schedules and SOFAs; and finally the Debtors benefited from a Blended Rate of only \$139.55 for this project.

13. During the Application Period, BMC Group incurred or disbursed actual and necessary costs and expenses related to this case in the aggregate amount of \$0.00.

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

15. 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 such rule.

WHEREFORE, BMC Group respectfully requests (a) that it be allowed compensation in the amount of \$24,100.50 for services rendered, (80%, or \$19,280.40 of which is to be paid upon the filing of a Certificate of No Objection), and reimbursement of expenses in the amount of \$0.00 (100% of



which is to be paid upon the filing of a Certificate of No Objection) for the Application Period; (b) that the Court authorize and direct the Debtors to pay BMC Group the amounts due and owing hereunder in accordance with the Interim Compensation Procedures Order; and (c) grant such other and further relief as is just and proper.

Dated: January 31, 2014

BMC GROUP, INC.

By: /s/ Varouj Bakhshian  
Varouj Bakhshian, Director  
BMC Group  
300 N. Continental Avenue, #570  
El Segundo, CA 90245  
(310) 321-5543

*Administrative Agent to the Debtors*