

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

In re:)	Chapter 11
)	
LABORATORY PARTNERS, INC., <i>et al.</i> , ¹)	Case No. 13-12769 (PJW)
)	
Debtors.)	Jointly Administered
)	

**SECOND MONTHLY APPLICATION OF CARL MARKS ADVISORY GROUP LLC
FOR INTERIM PAYMENT OF FEES FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES AS FINANCIAL ADVISOR FOR THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD FROM
DECEMBER 12, 2013 THROUGH AND INCLUDING JANUARY 11, 2014**

Name of Applicant: Carl Marks Advisory Group LLC

Authorized to Provide
Professionals Services to: Official Committee of Unsecured Creditors

Effective Date of Retention: November 12, 2013

Period for which compensation
and reimbursement is sought: December 12, 2013 – January 11, 2014

Amount of Compensation Sought
as actual, reasonable and necessary: \$26,512.00 (80% of \$33,140.00)

Amount of Expense Reimbursement
Sought as actual, reasonable and necessary: \$29.80

This is an/a: X monthly interim final application

The total time expended for fee application preparation is approximately 1.2 hours and the corresponding compensation requested is approximately \$450.00.

Prior Applications:

Date Filed	Period Covered	Fees Requested	Expenses Requested	Fees Approved	Expenses Approved
1/24/2014	11/12/2013 – 12/11/2013	\$36,000 (80% of \$45,000)	\$273.95	\$0.00*	\$0.00*

* The objection deadline for the prior fee application has not yet passed.

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This second monthly fee application for compensation and reimbursement of expenses (the "Fee Application") is filed by Carl Marks Advisory Group LLC ("CMAG") requesting payment for services rendered and reimbursement of costs expended as financial advisor for the Official Committee of Unsecured Creditors (the "Committee") of Laboratory Partners, Inc., *et al.*, (the "Debtors"), for the period of December 12, 2013 through January 11, 2014 (the "Application Period"). In support of this Fee Application, CMAG respectfully states the following:

Jurisdiction

1. The Bankruptcy Court (“the Court”) has jurisdiction over this matter under 28 U.S.C. § 1334. This is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2). Venue of this Chapter 11 case in this district is proper under 28 U.S.C. §§ 1408 and 1409.

Background

1. On October 25, 2013 (the “Petition Date”), the Debtors filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”). The Debtors’ cases are being jointly administered. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Debtors’ cases.

2. On November 7, 2013, pursuant to section 1102(a) of the Bankruptcy Code, the United States Trustee for the District of Delaware (the “United States Trustee”) appointed the Committee [Docket No. 80].² Also on November 7, 2013, the Committee selected Otterbourg to serve as its lead co-counsel and Klehr Harrison Harvey Branzburg LLP (“Klehr”) to serve as its Delaware co-counsel. On November 12, 2013, the Committee selected Carl Marks Advisory Group LLC (“CMAG”) to serve as its financial advisors.

3. On November 19, 2013, CMAG filed its Retention Application [D.I. No. 113]. On December 10, 2013, the Court entered an order approving the retention of CMAG as financial advisor to the Committee effective November 12, 2013 (the “Retention Order”) [D.I. No. 184].

² On December 31, 2013, an amended notice of appointment was filed by the United States Trustee [Docket No. 238].

Relief Requested

4. CMAG submits this Fee Application pursuant to section 328(a) of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), 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 (the "Administrative Order") [D.I. No. 145], Del. Bankr. LR 2016-2 and the Retention Order. By this Fee Application, CMAG seeks interim allowance of compensation for professional services rendered in the amount of \$33,140.00 for the Application Period, and seeks payment of 80% of this amount (or \$26,512.00), in accordance with the terms of the Administrative Order.

Summary of Fees

5. The total number of hours expended by CMAG professionals and paraprofessionals in performing professional services for the Committee during the Application Period was 33.9. Pursuant to the Retention Order, CMAG is entitled to monthly compensation for its services provided to the Committee at an hourly basis plus reimbursement of actual and necessary expenses incurred by CMAG.

6. Furthermore, the Financial Advisory Agreement (the "Agreement") that was approved by the Retention Order provides that any amounts billed over the Monthly Cap (as defined in the Agreement) for the first three monthly periods may be applied and payable in the next monthly period during which the Monthly Cap has not otherwise been exceeded. *See* Agreement, §4.

7. Services rendered by each professional and paraprofessional during the Application Period, a summary of the time incurred by project code, and detailed time entries by professional and project code are attached hereto as **Exhibit "A"**.

Actual and Necessary Costs and Expenses Incurred

8. Reimbursement of expenses in the amount of \$29.80 is sought herein and details of the expenses are attached hereto as **Exhibit "B"**. CMAG reserves the right to request, in subsequent fee applications, reimbursement of any additional expenses incurred during the Application Period, as such expenses may not have been captured to date in CMAG's billing system at the date of filing this Fee Application.

Compliance with the Bankruptcy Code, the Bankruptcy Rules and Local Rules

9. In accordance with Del. Bankr. LR 2016-2, a summary schedule of hours and fees for each professional, and a summary of hours and fees categorized by project code follow this Application. The undersigned submits that this Fee Application complies with Del. Bankr. LR 2016-2 and the Retention Order.

10. CMAG submits that the services rendered and expenses incurred were actual and necessary and that the compensation sought is reasonable and in accordance with the standards of the Bankruptcy Code and Bankruptcy Rules.

11. No agreement or understanding exists between CMAG and any other entity (other than shareholders or employees of CMAG) for the sharing of compensation received or to be received for services rendered in connection with these cases.

Notice

12. As required by the Administrative Order, a copy of this Fee Application has been

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Notice

12. As required by the Administrative Order, a copy of this Fee Application has been served upon: (a) the Debtors; (b) counsel to the Debtors; (c) counsel to the Committee; and (d) the Office of the United States Trustee for the District of Delaware. Notice of this Fee Application was served upon all parties requesting notice pursuant to Bankruptcy Rule 2002.

WHEREFORE, CMAG respectfully requests an interim award of compensation for professional services rendered as financial advisor to the Committee during the Application Period in the amount of \$26,512.00 (80% of \$33,140.00) and expenses in the amount of \$29.80 pursuant to the Administrative Order; and such other and further relief that the Court deems just and proper.

Dated: February 4, 2014

CARL MARKS ADVISORY GROUP LLC

By:


Mark L. Claster

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VERIFICATION PURSUANT TO DEL. BANKR.LR. 2016-2(f) AND 28 U.S.C. §1746(2)

I, Mark L. Claster, verify as follows:

1. I am a Partner with Carl Marks Advisory Group LLC ("CMAG"). CMAG has rendered professional services to the Official Committee of Unsecured Creditors (the "Committee") in this Chapter 11 case.

2. I have read the foregoing application of CMAG for compensation and reimbursement of expenses (the "Application"). To the best of my knowledge, information and belief formed upon the basis of my participation in this case, as well as after reasonable inquiry, the facts set forth in the foregoing Application are true and correct and materially comply with the applicable orders, rules, guidelines and requirements as set forth by the Court, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, Del.Bankr.LR 2016-2, and the Executive Office for the United States Trustee.

¹ 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).

Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, Del.Bankr.LR 2016-2, and the Executive Office for the United States Trustee.

Executed on February 4, 2014

CARL MARKS ADVISORY GROUP LLC

By: 

Mark L. Claster

Financial Advisors to the Official Committee of Unsecured Creditors of Laboratory Partners, Inc., et al.