

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

In re

SUGARFINA, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 19-11973 (MFW)

(Jointly Administered)

**Hearing Date:** To Be Scheduled If Necessary

**Obj. Deadline:** November 18, 2019 at 4:00 p.m. (ET)

**FIRST MONTHLY FEE APPLICATION OF BAYARD, P.A. FOR COMPENSATION  
FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES AS  
COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR  
THE PERIOD FROM SEPTEMBER 17, 2019 THROUGH SEPTEMBER 30, 2019**

Name of applicant:	<u>Bayard, P.A.</u>
Authorized to provide professional services to:	<u>Official Committee of Unsecured Creditors</u>
Date of Retention:	<u>Order entered November 1, 2019 [D.I. 338] nunc pro tunc to September 17, 2019</u>
Amount of compensation sought as actual, reasonable, and necessary:	<u>\$121,753.00</u>
80% of compensation sought as actual, reasonable, and necessary:	<u>\$97,402.40</u>
Amount of expense reimbursement sought as actual, reasonable, and necessary:	<u>\$2,822.35</u>
Total compensation approved by interim order to date:	<u>\$0.00</u>
Total expenses approved by interim order to date:	<u>\$0.00</u>

This is a: ☒ monthly ☐ quarterly ☐ final application.

This is Bayard's first monthly fee application in these cases.

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number or Canadian Revenue Agency, as applicable are: (1) Sugarfina, Inc., a Delaware corporation (4356); (2) Sugarfina International, LLC, a Delaware limited liability company (1254); and (3) Sugarfina (Canada), Ltd. (4480). The location of the Debtors' corporate headquarters is 1700 E. Walnut Ave., 5th Floor, El Segundo, California 90245.

**Summary of Bayard Monthly Fee Statements**

<b>Date &amp; D.I.</b>	<b>Filing Period</b>	<b>Requested Fees</b>	<b>Requested Expenses</b>	<b>CNO D.I. &amp; Date</b>	<b>Paid Fees</b>	<b>Paid Expenses</b>	<b>Fees/Expenses Disallowed or Withdrawn</b>
None	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Cumulative Totals</b>							

**Timekeeper Summary**

Attorneys					
Timekeeper	Position	Description	Rate	Hours	Amount
Justin R. Alberto	Director	Director since 2016. Joined firm in 2008. Member of DE Bar since 2008. Areas of Expertise: Bankruptcy and Litigation.	\$525.00	18.5	\$9,712.50
Erin R. Fay	Director	Director since 2019. Joined firm in 2017. Member of DE and WI Bars since 2009. Areas of Expertise: Bankruptcy and Litigation.	\$500.00	80.2	\$40,100.00
Daniel N. Brogan	Associate	Associate since and joined firm in 2018. Member of DE Bar since 2012. Area of Expertise: Bankruptcy.	\$450.00	52.4	\$23,580.00
Gregory J. Flasser	Associate	Associate since and joined firm in 2016. Member of DE Bar since 2015. Area of Expertise: Bankruptcy.	\$375.00	51.5	\$19,312.50
Sophie E. Macon	Associate	Associate since 2018. Member of DE Bar since 2018. Area of Expertise: Bankruptcy.	\$350.00	74.1	\$25,935.00
David Miller-Myers	Associate	Associate since 2018. Area of Expertise: Litigation/Electronic Discovery.	\$315.00	4.3	\$1,354.50
			Totals	281.0	\$119,994.50
			Blended Attorney Rate		\$427.03
Paraprofessionals					
Timekeeper	Position	Description	Rate(s)	Hours	Amount(s)
Larry Morton	Paralegal	Paralegal. Joined firm in 2010. Area of Expertise: Bankruptcy.	\$295.00	1.2	\$354.00
Erin Hendry	Paralegal	Paralegal. Joined firm in 2018. Area of Expertise: Bankruptcy.	\$265.00	4.6	\$1,219.00
Whitney Phillips	Legal Assistant	Legal Assistant. Joined firm in Area of Expertise: Transactional/Corporate.	\$265.00	0.7	\$185.50
			Totals	6.5	\$1,758.50
			Blended Paraprofessional Rate		\$270.54
			Blended All Professional Rate		\$423.49

**Project Category Summary by Task Code**

<b>Project Category</b>	<b>Hours</b>	<b>Amount</b>
Litigation/Adversary Proceedings (AP)	26.1	\$11,195.00
Business Operations (BO)	0.5	\$200.00
Case Administration (CA)	28.4	\$11,843.00
Court Hearings (CH)	16.4	\$7,412.00
Constituent Inquires (CI)	0.3	\$150.00
Cash Collateral/DIP Financing (CR)	49.5	\$23,847.00
Other Professional Retention Applications (EA2)	0.7	\$315.00
Employee Matters (EB)	1.2	\$570.00
Lease/Executory Contracts (EC)	0.2	\$100.00
Bayard Fee Application (F1)	1.0	\$265.00
General Corporate Matters (MA)	0.7	\$185.50
Claims, Analysis, Objection and Resolutions (PC)	1.3	\$465.50
Use, Sale or Lease of Property (SA)	144.0	\$57,190.00
Statutory Committee and Committee Meeting (SC)	16.9	\$7,902.50
Trustee Reporting/Schedules (TR)	0.3	\$112.50
<b>Totals</b>	<b>287.5</b>	<b>\$121,753.00</b>

**Expense Category Summary**

<b>Expense Category</b>	<b>Amount</b>
Certificates of Good Standing – CT Corporation (lien investigation)	\$375.00
Outside Services – DLS (printing and mailing service charges)	\$1,812.09
Postage	\$3.00
Print Images	\$199.00
Pacer Document Downloads	\$166.20
Computer Research	\$188.06
Delivery Charge	\$30.00
Color Print	\$49.00
<b>Totals</b>	<b>\$2,822.35</b>

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Debtors.

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**FIRST MONTHLY FEE APPLICATION OF BAYARD, P.A. FOR  
COMPENSATION FOR SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES AS COUNSEL TO THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD FROM  
SEPTEMBER 17, 2019 THROUGH SEPTEMBER 30, 2019**

By this application (the “Application”), pursuant to sections 330 and 331 of title 11 of the United States Code, §§ 101–1532, as amended (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and 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”), Bayard, P.A. (“Bayard”) hereby seeks reasonable compensation in the above-captioned cases of Sugarfina, Inc., *et al.* (collectively, the “Debtors”) for professional legal services rendered to the Official Committee of Unsecured Creditors (the “Committee”) in the amount of \$121,753.00, together with reimbursement for actual and necessary expenses incurred in the amount of \$2,822.35 for the period commencing September 17, 2019 through and including September 30, 2019 (the “Compensation Period”). Pursuant to the *Order Establishing Procedures for Interim Compensation and Reimbursement of*

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number or Canadian Revenue Agency, as applicable are: (1) Sugarfina, Inc., a Delaware corporation (4356); (2) Sugarfina International, LLC, a Delaware limited liability company (1254); and (3) Sugarfina (Canada), Ltd. (4480). The location of the Debtors' corporate headquarters is 1700 E. Walnut Ave., 5th Floor, El Segundo, California 90245.

*Professionals* [D.I. 198] (the “Interim Compensation Order”), Bayard seeks 80% payment of its total reasonable and necessary fees incurred during the Compensation Period in the amount of \$97,402.40, together with 100% reimbursement for actual and necessary expenses incurred during the Compensation Period in the amount of \$2,822.35. In further support of this Application, Bayard respectfully represents as follows:

### **Jurisdiction and Venue**

1. The Court has jurisdiction over this Application pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2) and may be determined by the Bankruptcy Court.

2. Pursuant to Local Rule 9013-1(f), Bayard consents to the entry of a final judgment or order with respect to this Application if it is determined that the Court would lack Article III jurisdiction to enter such final order or judgment absent consent of the parties.

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

### **Background**

4. On September 6, 2019 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

5. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these cases.

6. On September 17, 2019 (the “Formation Date”), the Office of the United States Trustee for Region 3 selected a seven (7) member committee pursuant to section 1102(a)(1) of the Bankruptcy Code [D.I. 97], including: (i) Agman Investments LLC; (ii) Fedex Corporate Services, Inc; (iii) Everplus F&B Fund, LLC; (iv) Marich Confectionery Company; (v) Efrutti; (vi) Right Click, Inc.; and (vii) AMAC.

7. On the Formation Date, the Committee held a meeting and selected Bayard as its proposed counsel in these cases. Thereafter, the Committee selected Province, Inc. as its proposed financial advisor in these cases.

8. On November 1, 2019 the Court entered the *Order Authorizing Employment and Retention of Bayard, P.A. as Counsel to the Official Committee of Unsecured Creditors Nunc Pro Tunc to September 17, 2019* [D.I. 338], approving the engagement of Bayard as the Committee’s counsel in these cases.

### **Relief Requested**

9. Bayard submits this Application in accordance with the Interim Compensation Order. All services for which Bayard requests compensation were performed for or on behalf of the Committee.

10. This Application is the first monthly fee application filed by Bayard in these cases. In connection with the professional services rendered, by this Application, Bayard seeks compensation in the amount of \$121,753.00 and expense reimbursement of \$2,822.35. Attached hereto as Exhibit A is a detailed statement of hours spent rendering legal services to the Committee supporting Bayard’s request of \$121,753.00 in compensation for fees incurred during the Compensation Period. Attached hereto as Exhibit B is a detailed list of disbursements made

by Bayard supporting Bayard's request of \$2,822.35 in expense reimbursement for the Compensation Period.

11. Given the nature and value of the services that Bayard provided to the Committee as described herein, the interim amounts sought under this Application are fair and reasonable under section 330 of the Bankruptcy Code.

12. Bayard has received no payment and no promises for payment from any source for services rendered in connection with these cases other than those in accordance with the Bankruptcy Rules. There is no agreement or understanding between Bayard and any other person (other than members of Bayard) for the sharing of compensation to be received for the services rendered in these cases.

#### **Summary of Services Rendered**

13. In general, the services that Bayard rendered as counsel to the Committee include, without limitation, the following:

- a) providing legal and strategic advice to the Committee with respect to its rights, duties, and powers in these cases;
- b) advising and representing the Committee as its co-counsel in connection with all matters arising in these cases;
- c) representing the Committee as its co-counsel at all hearings in these cases;
- d) appearing, on behalf of the Committee, at any meetings of creditors that may be held in connection with these cases;
- e) preparing, on behalf of the Committee, any necessary applications, motions, pleadings, or other documents that may need to be filed in these cases;
- f) monitoring the case docket and responding, as needed, regarding matters directly or indirectly impacting the Committee or affecting the Committee's interests in these cases;



- g) participating in calls and otherwise corresponding with the Committee; and
- h) providing such other services as may be required or are otherwise deemed to be in the interests of the Committee in accordance with the Committee's powers and duties as set forth in the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, order of this Court, or other applicable source of law.

14. The services provided by Bayard during the Compensation Period are grouped into the categories set forth in Exhibit A. The attorneys and paralegals that rendered services relating to each category, as well as the total compensation by project category, are likewise set forth in Exhibit A.

#### **Amounts Requested**

15. For the Compensation Period, Bayard seeks 80% of its total compensation in the amount of \$97,402.40 in connection with the professional services summarized above and detailed in Exhibit A.

16. Bayard incurred or disbursed the actual and necessary costs and expenses related to these cases in the amount of \$2,822.35 as further detailed in Exhibit B and summarized in the attachments hereto.

#### **Certification and Notice**

17. Pursuant to Local Rule 2016-2, Bayard represents as follows with regard to its charges for actual and necessary costs and expenses during the Compensation Period:

- (a) Copy, scanning, and printing charges are \$0.10 per page, which charge is reasonable and customary in the legal industry representing costs of copy materials, outside service costs, acquisition, maintenance, storage, and operation of copy machines, printers, and copy center, together with a margin for recovery of lost expenditures.
- (b) Incoming facsimiles are not billed.

- (c) Out-going facsimiles are billed at the rate of \$0.25 per page. The cost represents operator time, maintaining several dedicated facsimile telephone lines, supplies, and equipment, and includes a margin for recovery of lost expenditures. Toll telephone charges are not billed.

18. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amounts requested for compensation and expense reimbursement are fair and reasonable given: (a) the complexity of these cases; (b) the time expended; (c) the nature and extent of the services rendered; (d) the value of such services; and (e) the cost of comparable services other than in a case under the Bankruptcy Code.

19. The undersigned has reviewed the requirements of Local Rule 2016-2 and certifies that this Application and the Exhibits attached hereto comply therewith and a copy of this Application has been sent to the notice parties set forth in the Interim Compensation Order.

*[Remainder of page intentionally left blank].*

**CONCLUSION**

WHEREFORE, Bayard requests approval of \$121,753.00 as the total compensation for professional services rendered during the Compensation Period, 80% of which is to be paid upon the filing of a certificate of no objection, and the sum of \$2,822.35 for reimbursement of actual and necessary costs and expenses incurred by Bayard during the Compensation Period in these cases from September 17, 2019 through September 30, 2019.

Dated: November 7, 2019  
Wilmington, Delaware

BAYARD, P.A.

/s/ Erin R. Fay  
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