

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

In re:	)	Chapter 11
	)	
SGR WINDDOWN, INC., <i>et al.</i> ,	)	Case No. 19-11973 (MFW)
	)	
Debtors. <sup>1</sup>	)	(Jointly Administered)
	)	
	)	<b>Objection Deadline:</b> January 2, 2020 at
	)	4:00 p.m. ET
	)	

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**COVER SHEET FOR FIRST INTERIM FEE APPLICATION OF BMC GROUP,  
INC. FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES AS  
ADMINISTRATIVE AGENT TO THE DEBTORS AND DEBTORS-IN-  
POSSESSION FOR THE PERIOD  
SEPTEMBER 6, 2019 THROUGH NOVEMBER 30, 2019**

<b>Name of Applicant:</b>	BMC Group, Inc. ("BMC Group"), as Administrative Agent
<b>Authorized to Provide Professional Services to:</b>	SUGARFINA, INC., et al.
<b>Date of Retention:</b>	September 6, 2019 <i>Nunc Pro Tunc</i> to October 30, 2019 [D.I. 327]
<b>Period for which Compensation and Reimbursement is Sought:</b>	September 6, 2019 through November 30, 2019
<b>Amount of Compensation Sought as Actual, Reasonable and Necessary:</b>	\$24,819.50
<b>Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:</b>	\$0.00

This is a:      ☐ Monthly Application      ☒ Interim Application      ☐ Final Application

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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) SGR Winddown, Inc. (4356), (2) SGR Winddown International, LLC (1254) and (3) SGR Canada Winddown Legacy Ltd. (4480). The location of the Debtors' corporate headquarters is 1700 E. Walnut Ave., 5th Floor, El Segundo, California 90245.

**PRIOR APPLICATIONS FILED**

<b>Application/CNO Filing Information</b>	<b>Period Covered</b>	<b>Requested Fees</b>	<b>Requested Expenses</b>	<b>Interim Approved Fees (80%/20%)</b>	<b>Approved Expenses</b>
N/A					
<b>Totals</b>		\$		\$	

**COMPENSATION BY TIMEKEEPER**

September 6, 2019 through November 30, 2019

<b>Name of Professional Person</b>	<b>Position with Applicant, Number of Years in Position, Prior Relevant Experience, Licenses and Year Obtained, Area of Expertise</b>	<b>Total Hours Billed</b>	<b>Hourly Billing Rate</b>	<b>Total Compensation</b>
Abatayo, Jean	Admin, Case Analyst, 2015	0.3	\$85.00	\$25.50
Conklin, Jacqueline	Senior Data Manager, 2001	28.1	\$100.00	\$2,810.00
Dela Cruz, Joy	Senior Data Analyst, 2014	5.7	\$100.00	\$570.00
Marshall, Terri	Senior Consultant, 2002; four years prior bankruptcy experience	24.0	\$125.00	\$3,000.00
Martin, Kevin	Director and Project Manager, 2010	100.6	\$150.00	\$15,090.00
Nacorda, Vincent	Data Analyst, 2007	9.4	\$85.00	\$799.00
Ordaz, Steven	Consultant, 2006; twenty years prior bankruptcy and legal industry experience	0.6	\$125.00	\$75.00
Bakhshian, Varouj	Senior Consultant, 2002; thirty plus years bankruptcy experience	19.6	\$125.00	\$2,450.00
	<b>GRAND TOTAL</b>	<b>188.3</b>		<b>\$24,819.50</b>
	<b>BLENDED RATE</b>		<b>\$ 131.81</b>	

**COMPENSATION BY PROJECT CATEGORY**

September 6, 2019 through November 30, 2019

<b>Project Category</b>	<b>Total Hours</b>	<b>Total Fees</b>
Schedules and SOFA Support	188.3	\$24,819.50
<b>Actual Total</b>		<b>\$24,819.50</b>

**EXPENSE SUMMARY**

September 6, 2019 through November 30, 2019

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

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Debtors. <sup>1</sup>	)	(Jointly Administered)
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**FIRST INTERIM FEE APPLICATION OF BMC GROUP, INC. FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES AS  
ADMINISTRATIVE AGENT TO THE DEBTORS AND  
DEBTORS-IN-POSSESSION FOR THE PERIOD  
SEPTEMBER 6, 2019 THROUGH NOVEMBER 30, 2019**

BMC Group Inc. ("BMC Group"), Administrative Agent to the debtors and debtors-in-possession in the above-captioned chapter 11 cases (the "Debtors"), hereby submits its first interim fee application (the "Application") for allowance of interim compensation in the amount of \$24,819.50 and reimbursement of expenses of \$0.00 for the period from September 6, 2019 through and including November 30, 2019 (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, 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") and *the Order Establishing Procedures for Interim Compensation and Reimbursement of Professionals*. (the "Interim Compensation Order") [Docket No. 198].

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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) SGR Winddown, Inc. (4356), (2) SGR Winddown International, LLC (1254) and (3) SGR Canada Winddown Legacy Ltd. (4480). The location of the Debtors' corporate headquarters is 1700 E. Walnut Ave., 5th Floor, El Segundo, California 90245.

In support of the Application, BMC Group respectfully represents as follows:

**Background**

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

2. 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.

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

4. On October 30, 2019, this Court entered an order authorizing the employment and retention of BMC Group as Administrative Agent to the Debtors in the case, *nunc pro tunc* to the Petition Date [Docket No. 327].

5. All services for which compensation is requested by BMC Group were performed for or on behalf of the Debtors.

6. This is BMC Group's first interim fee application for compensation for services rendered and reimbursement of expenses incurred as Administrative Agent to the Debtors.

**Summary of Services Rendered**

7. In its capacity as Administrative Agent for the Debtors, BMC Group has performed the following services:

a) Schedules and SOFA Support:

Services in this category relate to assisting the Debtors in the preparation of the Schedules of Assets and Liabilities, Statement of Financial Affairs, and any amendments thereto, including: 1) assisting the Debtors in gathering the necessary information; 2) logging the files provided by the Debtors to a master index; 3) maintaining a project plan of personnel tasked with providing and verifying the information, and the status of getting that information onto the Schedules and SOFA forms; 4) processing information from the Debtors that is responsive to the questions on the Schedules and SOFAs; 5) verifying the integrity of the information; 6) formatting the information for display on the official forms of the USBC; 7) preparing drafts of the Schedules and SOFAs; 8) reviewing the drafts with the Debtors and counsel to the Debtors to determine necessary revisions, and 9) preparing final forms for filing with the Court.

#### **Summary of Expenses**

8. BMC Group expended a total of \$0.00 for reasonable and necessary expenses in connection with its services for the Debtors during the Application Period.

#### **Summary of Fees**

9. The total sum due to BMC Group for professional services rendered on behalf of the Debtors for the Interim Compensation Period is \$24,819.50. Attached hereto as **Exhibit A** is a detailed statement of fees incurred as administrative agent during the Interim Compensation Period.

**Valuation of Services**

10. In accordance with the factors enumerated in Section 330 of the Bankruptcy Code, the amounts requested herein for compensation and expense reimbursement are fair and reasonable given (a) the complexity of these cases, (b) the time expended by the individual timekeepers at BMC Group, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

11. BMC Group hereby certifies (a) that it has reviewed the requirements of Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedures and (b) that this Application complies with such rule.

WHEREFORE, pursuant to the Interim Compensation Order, BMC Group respectfully requests that the Court: (a) allow compensation for professional fees and services provided during the Interim Application Period in the amount of \$24,819.50 and reimbursement of actual and necessary expenses incurred during the Interim Application Period in the amount of \$0.00; (b) payment of compensation in total amount of \$19,855.60 (representing 80% of the total fees (\$24,819.50) billed during the Interim Application Period); and (c) such other relief as this court deems just and proper.

Dated: December 13, 2019

BMC Group, Inc.

By: /s/ Kevin A. Martin

Kevin A. Martin  
Director, Legal Services  
BMC Group, Inc.  
600 1st Avenue  
Seattle, WA 98104  
(206) 516-3300  
*Administrative Agent to the Debtors*

**VERIFICATION**

KEVIN A. MARTIN, after being duly sworn, deposes and says:

1. I am employed by Applicant, BMC Group, Inc. ("BMC Group"), the Administrative Agent to the debtors and debtors-in-possession herein (the "Debtors"), whose corporate offices are located at 600 1<sup>st</sup> Avenue, Seattle, WA 98104. I am a Director of BMC, and I have personal knowledge of the matters set forth herein.

2. This verification is submitted in support of the foregoing interim application (the "Interim Application") and all capitalized terms used herein but not otherwise defined shall have the meaning set forth in the Application.

3. I have personally reviewed the consulting services rendered by BMC Group as Administrative Agent to the Debtors and am thoroughly familiar with the other work performed on behalf of the Debtors by other consultants and employees of BMC.

4. I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Local Rule 2016-2, and the Interim Compensation Order, and submit that the Application herein substantially complies with such Local Rule and Order.

DATED: December 13, 2019  
Hawthorne, CA

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/s/ Kevin A. Martin  
KEVIN A. MARTIN