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Ordinary Course Litigation Counsel to the Debtors

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

BCBG MAX AZRIA GLOBAL HOLDINGS,
LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-10466 (SCC)

(Jointly Administered)

**SUMMARY SHEET TO APPLICATION OF
SHEPPARD MULLIN RICHTER & HAMPTON LLP
FOR ALLOWANCE OF FEES INCURRED IN EXCESS OF THE OCP CAP**

Name of Applicant:	Sheppard Mullin Richter & Hampton LLP ("Sheppard Mullin")
Authorized to Provide Professional Services to:	The BCBG Max Azria Global Holdings, LLC, <i>et al</i> (the "Debtors")
Petition Date:	February 28, 2017
Date of Retention:	N/A
Period for Which Compensation and Reimbursement are Sought:	July 1, 2017 through and including July 31, 2017 (the " <u>Compensation Period</u> ")

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: BCBG Max Azria Global Holdings, LLC (6857); BCBG Max Azria Group, LLC (5942); BCBG Max Azria Intermediate Holdings, LLC (3673); Max Rave, LLC (9200); and MLA Multibrand Holdings, LLC (3854). The location of the Debtors service address is: 2761 Fruitland Avenue, Vernon, California 90058.

Total Fees and Expenses Requested for Compensation Period

Amount of Compensation Sought as Actual, Reasonable, and Necessary for the Compensation Period:	\$272,250.00
Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary for the Compensation Period:	\$37,696.00
Total Compensation and Expenses Requested for the Compensation Period:	\$309,946.00

Total Fees and Expenses Allowed Pursuant to Prior Applications

Total Allowed Compensation Paid to Date:	N/A
Total Allowed Expenses Paid to Date:	N/A
Total Allowed Compensation and Expenses Paid to Date:	N/A

Total Fees and Expenses Paid to Sheppard Mullin Pursuant to Monthly Statements

Compensation Sought in This Application Already Paid Pursuant to a Monthly Compensation Order But Not Yet Allowed (80% of fees):	N/A
Expenses Sought in This Application Already Paid Pursuant to a Monthly Compensation Order But Not Yet Allowed (100% of expenses):	N/A
Total Compensation and Expenses Sought in This Application Already Paid Pursuant to a Monthly Compensation Order But Not Yet Allowed:	N/A

Summary of Rates and Other Related Information

Blended Rate in This Application for All Attorneys:	\$377.08
Blended Rate in This Application for All Timekeepers:	\$335.99

Number of Attorneys Included in This Application:	11
Number of Attorneys in this Application Not Included in Staffing Plan Approved by Client:	N/A
Difference Between Fees Budgeted and Compensation Sought for the Compensation Period:	N/A
Number of Attorneys Billing Fewer than 15 Hours to the Case During the Compensation Period:	N/A
Increase in Rates:	N/A

This is an ___ interim X final application

HOURS WORKED BY PROFESSIONAL FOR ENTIRE ENGAGEMENT							
Name of Professional	Position	Department	Year Admitted	Hourly Billing Rate 2016	Hourly Billing Rate 2017	Total Hours Worked	Total Value of Hours Worked ²
Robyn Bytheway	Non-Legal Staff	Business Trials	N/A	\$175	\$175	.60	\$105
Theodore A. Cohen	Special Counsel	Finance & Bankruptcy	1990	\$675	\$685	20	\$13,513
Stacey Crocker	Paraprofessional	Business Trials	N/A	\$265	\$275	11.60	\$3,078
Natasha L. Domek	Associate	Business Trials	2017	N/A	\$355	12	\$4,260
Yaas C. Hejazi	Paraprofessional	Litigation	N/A	\$195	N/A	45.50	\$8,872.50
James W. Hill	Associate	Litigation	2013	\$475	\$490	410	\$192,990.50
Susan M. Hwang	Special Counsel	Intellectual Property	2000	N/A	\$665	.30	\$199.50
Moe Keshavarzi	Partner	Business Trials	2002	\$625	\$645	65.80	\$41,517
Alexander A. Kuljis	Associate	Business Trials	2014	\$435	N/A	6.30	\$2,740.50
John M. Landry	Special Counsel	Business Trials	1998	\$575	N/A	5.50	\$3,162.50
Claudia M. Luna	Paraprofessional	Government Contracts	N/A	\$335	\$345	13.40	\$4,575.00
Maggie Mollet	Paraprofessional	Business Trials	N/A	N/A	\$275	2.0	\$540
Ariela R. Pier	Associate	Business Trials	2016	N/A	\$355	44.70	\$15,883.50
Pearl J. Poon	Paraprofessional	Library	N/A	\$185	N/A	.20	\$37
Bradley M. Rank	Managing Attorney	Business Trials	2005	\$275	\$285	6.10	\$1,686.50
Sophia J. Solomon	Associate	Finance & Bankruptcy	2016	N/A	\$480	4.90	\$2,352.00
Scott R. Sveslosky	Partner	Business Trials	2001	\$625	N/A	146.40	\$91,500
Rick O. Thomas	Legal Assistant	Government Contracts	N/A	N/A	\$335	15	\$5,025
TOTAL						810.3	\$392,037.50

² The “Total Value of Hours Worked” column depicts the sum of each professional’s normal hourly rate multiplied by the number of hours worked during this engagement. As noted in this Application, pursuant to the Engagement Letter, Sheppard Mullin agreed to be compensated under a contingency fee arrangement in connection with the Action. Accordingly, this table is provided to show the hourly rate and aggregate amount that would have been charged to the client, and is charged to all clients in similar litigation matters, if not for the contingent nature of the engagement.

EXPENSE SUMMARY		
Expense Description	Vendor/Provider	Expense Sub-Total
Legal Research	Westlaw, Lexis	\$3,168.30
Telephone Services	Soundpath Legal	\$8.01
Travel	Air Canada, Intercontinental Montreal	\$9,799.61
Local Israeli Counsel	Hellerstein Law	\$2,145
Court Reporter/Transcript Fees	First Legal Deposition	\$6,683.45
Data Hosting/Data Analysis	Transwest	\$6,491.79
Duplication/Copying	In-house	\$5,479.25
Postage	USPS	\$139.17
Delivery Services, Messenger, Courier	Pro Courier, Federal Express	\$8,039.18
TOTAL:		\$41,953.76¹

¹ The total amount of expenses in the chart reflects the true value of disbursements incurred by Sheppard Mullin during the course of the matter and which have not been reimbursed by the Debtors. Sheppard Mullin has agreed to discount the amount requested for reimbursement of the aggregate amount and is only requesting \$37,696.00 of the total expenses incurred.

Moe Keshavarzi, Esq.
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Ordinary Course Litigation Counsel for the Debtors

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

BCBG MAX AZRIA GLOBAL HOLDINGS,
LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-10466 (SCC)

(Jointly Administered)

**APPLICATION OF SHEPPARD MULLIN RICHTER & HAMPTON LLP
AS ORDINARY COURSE LITIGATION COUNSEL TO THE DEBTORS
FOR ALLOWANCE OF FEES INCURRED IN EXCESS OF THE OCP CAP**

Sheppard Mullin Richter & Hampton LLP (the “Applicant” or “Sheppard Mullin”), as ordinary course litigation counsel to the above-captioned debtors and debtors-in-possession (the “Debtors”), hereby submits this *Application of Sheppard Mullin Richter & Hampton LLP as Litigation Counsel to the Debtors for Allowance of Fees Incurred in Excess of the OCP Cap* (the “Application”) pursuant to *Order (I) Authorizing the Debtors to Retain and Compensate Professionals Utilized in the Ordinary Course of Business and (II) Granting Related Relief* [Dk. No. 236], 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”), and Rule 2016-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: BCBG Max Azria Global Holdings, LLC (6857); BCBG Max Azria Group, LLC (5942); BCBG Max Azria Intermediate Holdings, LLC (3673); Max Rave, LLC (9200); and MLA Multibrand Holdings, LLC (3854). The location of the Debtors service address is: 2761 Fruitland Avenue, Vernon, California 90058.

Bankruptcy Court for the Southern District of New York (the “Local Rules”). In support of this Application, the Applicant states as follows:

JURISDICTION AND VENUE

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 is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

A. Bankruptcy Case

2. On February 28, 2017 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. [Dk. No. 1].

3. On March 2, 2017, the Court entered an order providing for the joint administration of the Debtors’ chapter 11 cases. [Dk. No. 66].

4. On March 14, 2017, the Debtors filed the *Debtors’ Motion for Entry of an Order (I) Authorizing the Debtors to Retain and Compensate Professionals Utilized in the Ordinary Course of Business and (II) Granting Related Relief*. [Dk. No. 130].

5. On March 29, 2017, the Court entered the *Order (I) Authorizing the Debtors to Retain and Compensate Professionals Utilized in the Ordinary Course of Business and (II) Granting Related Relief* (the “OCP Order”). [Dk. No. 236].

6. Pursuant to the OCP Order, the Debtors were authorized to pay designated Ordinary Course Professionals (“OCPs”) based upon the following procedure:

The Debtors shall be authorized to pay, without formal application to the Court by any OCP, 100% of fees and disbursements to each of the OCPs retained by the Debtors pursuant to the OCP Procedures upon submission to the Debtors of an appropriate invoice setting forth in reasonable detail the nature of the services rendered after the Petition Date; *provided* that while these chapter 11 cases are pending, the fees of each OCP set forth on Exhibit 2

attached hereto, excluding costs and disbursements, may not exceed \$50,000 per month (the “OCP Cap”) or \$500,000 in the aggregate (the “Case Cap”); *provided, further* that the Debtors’ right to seek an increase of the Case Cap by separate motion at a future date is reserved.

To the extent that fees payable to any OCP exceed the OCP Cap set forth in paragraph (d) above, such OCP shall file a fee application with this Court for the full amount of its fees and expenses for any month where such OCP’s fees exceed the OCP Cap in accordance with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Fee Guidelines promulgated by the Office of the U.S. Trustee, and any applicable orders of this Court, unless the U.S. Trustee agrees otherwise. To the extent that fees payable to any OCP exceed the Case Cap set forth in paragraph (d) above, the Debtors shall file an application to employ such OCP pursuant to sections 327 or 328 of the Bankruptcy Code, as applicable, and such OCP’s compensation above the Case Cap shall be governed by the Court’s order, if any, approving such OCP’s employment.

OCP Order, ¶¶ 2(d) and (e).

7. Pursuant to the OCP Order, Sheppard Mullin was designated as one of the Debtors’ OCPs. *See* OCP Order, Exh. 2.

8. On April 13, 2017, Sheppard Mullin filed its *Declaration of Disinterestedness of Sheppard Mullin Richter & Hampton, LLC Pursuant to the Order (I) Authorizing the Debtors to Retain and Compensate Professionals Utilized in the Ordinary Course of Business and (II) Granting Related Relief* [Dk. No. 294] (the “Declaration”). No objections were filed to the Declaration by the Objection Deadline (as defined in the OCP Order) and, consequently, the Debtors were thereafter authorized to, and did, retain and compensate Sheppard Mullin in the ordinary course pursuant to pre-petition terms.

9. On July 26, 2017, the Court entered an order confirming the Debtors’ *Amended Joint Plan of Reorganization*. [Dk. No. 591].

10. On July 31, 2017, the Debtors filed the *Notice of (I) Entry of Order Confirming the Amended Joint Plan of Reorganization of BCBG Max Azria Global Holdings, LLC and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code and (II) Occurrence of Effective Date*. [Dk. No. 601].

B. Trimera Litigation

11. On February 2, 2016, BCBG Max Azria Group, LLC (“BCBG”) filed an action in the Superior Court of Los Angeles, Norwal Branch, Case No. VC065315, initiating the lawsuit (the “Action”), entitled *BCBG Max Azria Group, LLC v. Christina America Inc., et al.*, against Christina America, Inc. (d/b/a Trimera Group), UBI Apparel Inc. (d/b/a Trimera Group), 8577897 Canada Inc. (d/b/a/ Gottex Canada Enterprises, Trimera Group and Gottex swimwear) (together, the “Defendants”).

12. Pursuant to the Action, BCBG alleged that the Defendants were jointly liable for breach of contract based on their failure to pay royalties pursuant to two manufacturing license agreements. BCBG also alleged that the Defendants were jointly liable for breach of various marketing agreements involving the spring 2015 swimwear and intimates marketing campaigns. BCBG sought compensatory damages, interest, and attorney costs and fees in connection with the Action.

13. On July 18, 2016, Sheppard Mullin was engaged by BCBG to represent it in connection with the Action (the “Engagement”). The Engagement was memorialized in an engagement letter (“Engagement Letter”), which contemplated a thirty-three percent contingency fee of any total recovery received by BCBG if the Action was resolved before trial. Further, pursuant to the Engagement Letter, BCBG would separately pay any actual costs incurred by Sheppard Mullin in connection with the Action.

14. On February 17, 2017, the Engagement was amended to allow Sheppard Mullin to charge a flat, discounted hourly rate of \$380 per hour for all legal professionals, regardless of who was performing work specifically in connection with discovery, including, document review if such work was performed.

15. On June 23, 2017, the Debtors filed the *Debtors' Motion for Entry of an Order (A) Approving a Settlement and Release Agreement Between BCBG Max Azria Group, LLC and Certain Defendants and (B) Granting Related Relief* [Dk. No. 463], pursuant to which the Debtors sought approval of a settlement agreement and release (the "Settlement Agreement") between and among themselves and the Defendants.

16. On July 7, 2017, the Court entered the *Order (A) Approving a Settlement and Release Agreement Between BCBG Max Azria Group, LLC and Certain Defendants and (B) Granting Related Relief* (the "9019 Order") authorizing the Debtors to enter into and perform under the Settlement Agreement and take all actions necessary to implement the Settlement Agreement. [Dk. No. 509]. The approved Settlement Agreement states that the Defendants will pay BCBG \$825,000 in full satisfaction of all claims, obligations and liabilities between the parties (the "Settlement"). *See* 9019 Order, Exh. 1, § 1.

17. On July 10, 2017, Sheppard Mullin received \$825,000.00 into its escrow account in accordance with the Settlement Agreement and promptly remitted \$515,054.00 to BCBG representing the full settlement amount minus \$309,946.00, which is currently being held in Sheppard Mullin's professional escrow account to account for Sheppard Mullin's thirty-three percent contingency fee in accordance with the terms of the Engagement Letter, plus a (reduced) amount for reimbursement of actual expenses incurred by Sheppard Mullin in connection with the Action.

Summary of Professional Compensation and Reimbursement of Expenses Requested

18. Sheppard Mullin seeks allowance of compensation for professional services performed during the Compensation Period in the amount of \$272,250.00 and for reimbursement of expenses incurred in connection with the rendition of such services in the amount of \$37,696.00. Sheppard Mullin has not yet been paid for any of the professional services and expenses requested in this Application.

19. The prosecution of the Action required extensive motion practice, negotiations, court appearances, research and discovery, including the review of hundreds of thousands of documents by defendants and depositions in Montreal, Canada. During the entire Engagement, Sheppard Mullin attorneys and paraprofessionals expended a total of 810.30 hours in connection with the necessary services rendered both pre- and post-petition. The blended hourly rate of all professionals is \$335.99.

20. Based on the professionals and paraprofessionals' normal hourly rates, the value of hours worked aggregates to \$392,037.50, which is significantly less than the amount sought in this Application.²

21. There is no agreement or understanding between Sheppard Mullin and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these cases.

² Because of the contingent nature of the engagement of Sheppard Mullin by BCBG in connection with the Action, Sheppard Mullin never issued invoices for any of the work performed to the extent the work was not otherwise agreed to be charged on an hourly rate basis. Fees charged on an hourly rate basis in the Action and any other matter for which Sheppard Mullin acted as ordinary course litigation counsel are not being sought in this Application and were incurred and paid prior to the period for which compensation is sought herein. At no time during the pendency of the Debtors' chapter 11 cases did the fees charged pursuant to any engagement based on an hourly rate agreement exceed the OCP Cap. Moreover, although most of the professionals recorded their time on an hourly basis as required by the firm even though the matter was not charged on an hourly basis, in some instances the partners involved did not record their time on a regular basis resulting in a lower aggregate "Total Value of Hours Worked" than is likely the reality.

22. At no time, other than the period covered by this Application, did Sheppard Mullin exceed the OCP Cap. At no time, and together with the amount sought in this Application, did Sheppard Mullin exceed the Case Cap for OCPs under the OCP Order.

23. Sheppard Mullin was not retained in these cases pursuant to section 327(a) of the Code (and was retained on a contingency basis), therefore Sheppard Mullin did not prepare a budget and staffing plan in accordance with the Amended Guideline for Fees and Disbursements for Professionals in Southern District of New York pursuant to General Order M-447 (Jan. 29, 2013) (the "Local Guidelines"), and the Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases, effective November 1, 2013 (the "UST Guidelines," and, together with the Local Guidelines, the "Fee Guidelines"). Further, due to the nature of the contingent fee arrangement and reduced fee arrangement, Sheppard Mullin professionals did not use task codes when recording their contemporaneous time records and therefore the chart depicting the tasks codes is omitted from this Application. Similarly, the "Customary and Comparable Compensation Disclosures" chart as required by the UST Guidelines has been omitted because Sheppard Mullin is not seeking compensation based on an hourly rate in this Application.

24. Annexed hereto as Exhibit A is a certification regarding compliance with the Fee Guidelines.

25. Annexed hereto as Exhibit B is a schedule of the Sheppard Mullin professionals, paraprofessionals, and other non-legal staff who performed services for the Debtors during the entire Engagement, the capacities in which each individual is employed by Sheppard Mullin, the department in which each individual practices, the normal hourly billing rate charged by Sheppard Mullin for services performed by such individual, the year in which each attorney was

first licensed to practice law, where applicable, and the aggregate number of hours expended in this matter and the aggregate value of the fees.

26. Sheppard Mullin reserves the right to request compensation for fees incurred in connection with the preparation of this Application pursuant to the OCP Order.

Actual and Necessary Disbursements of Sheppard Mullin

27. As set forth in Exhibit C hereto, Sheppard Mullin has incurred \$41,953.76 in reimbursable expenses in connection with the Action during the life of the Engagement. Sheppard Mullin has agreed to a \$4,257.76 reduction in these reimbursable expenses, and is only requesting \$37,696.00 to cover all reimbursable expenses incurred. These expenses are reasonable and necessary and were essential to the prosecution of the Action and negotiation of the settlement in the Action on behalf of BCBG.

28. While Sheppard Mullin has not charged the Debtors for any overtime expenses, consistent with firm policy, attorneys and other employees of Sheppard Mullin who worked late into the evenings or on weekends were reimbursed for their reasonable meal costs and their cost for transportation home from the office. Sheppard Mullin's regular practice is not to include components for those charges in overhead when establishing billing rates and to charge its clients for these and all other out-of-pocket disbursements incurred during the regular course of the rendition of services. The reimbursement amounts do not exceed those set forth in the UST Guidelines, Local Guidelines, and the Local Rules.

29. With respect to photocopying expenses, in compliance with the Fee Guidelines and Local Rule 2016-1, Sheppard Mullin charges all of its clients \$0.10 per page.

30. Each of these categories of expenses does not exceed the maximum rate set by the Local Rules or Local Guidelines. These charges are intended to cover Sheppard Mullin's direct

operating costs, which costs are not incorporated into Sheppard Mullin's hourly billing rates. Only clients who actually use services of the types set forth in Exhibit C are separately charged for such services. The effect of including such expenses as part of the hourly billing rates would impose that cost upon clients who do not require extensive photocopying and other facilities and services. The amount of the standard photocopying charge is intended to allow Sheppard Mullin to cover the related expenses of its photocopying service. A determination of the actual expenses per page for photocopying, however, is dependent on both the volume of copies and the total expenses attributable to photocopying on an annual basis.

31. Sheppard Mullin made every effort to minimize its disbursements in this case and has voluntarily reduced the amount it is seeking for reimbursable expenses as described above. The actual expenses incurred in providing professional services were absolutely necessary, reasonable, and justified under the circumstances to serve the needs of the Debtors, their estates, and creditors.

The Requested Compensation Should Be Allowed

32. Section 330 of the Bankruptcy Code provides that a Court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual, necessary services rendered [and] reimbursement for actual, necessary expenses." 11 § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded to [a] professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (A) the time spent on such services;
- (B) the rates charged for such services;

(C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;

(D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;

(E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and

(F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

Id. § 330(a)(3).

33. Sheppard Mullin submits that the services for which it seeks compensation and the expenditures for which it seeks reimbursement in this Application were necessary for and beneficial to the preservation and maximization of value for the Debtors and were necessary to and in the best interests of the Debtors and their estates. The compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors, which exceeds, on an aggregated hourly basis, the amount actually requested herein.

34. In sum, the services rendered by Sheppard Mullin were necessary and beneficial to the Debtors and were consistently performed in a timely manner commensurate with the complexity, importance, and nature of the issues involved. Accordingly, approval of the compensation for professional services and reimbursement of expenses sought herein is warranted.

NOTICE

35. Notice of this Application has been provided to: (i) Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654 (Attn: Benjamin M. Rhode and John R. Luze), counsel for the Debtors; (ii) the Office of the United States Trustee for Region 2, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Brian Masumoto, Esq.); (iii) Pachulski Stang Ziehl & Jones LLP, 780 Third Avenue, 34th Floor, New York, New York 10017-2024 (Attn: Bradford Sandler and Robert Feinstein) and Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Blvd., 13th Floor, Los Angeles, California 90067 (Attn: Malhar S. Pagay), counsel for the Plan Administrator; (iv) Morgan, Lewis & Bockius LLP, One Federal Street, Boston, Massachusetts 02110 (Attn: Marc R. Leduc and Matthew F. Furlong), counsel to the administrative agent under the Debtors' prepetition and postpetition asset-based revolving credit facilities; and (v) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Matt Barr), counsel to the administrative agent under the Debtors' prepetition and postpetition term loan credit facilities.

NO PRIOR REQUEST

36. No prior request for the relief sought in this Application has been made to this or any other court.

CONCLUSION

37. Sheppard Mullin respectfully requests that the Court (i) award final allowance of the Sheppard Mullin's compensation for professional services rendered during the Compensation Period in the amount of \$309,946.00, consisting of \$272,250.00, representing 100% of fees due to Sheppard Mullin under the contingency fee arrangement outlined and agreed to in the Engagement, and reimbursement of \$37,696.00, representing 100% of actual and necessary

expenses incurred (as voluntarily discounted) during the Compensation Period, and that such allowance be without prejudice to Sheppard Mullin's right to seek additional compensation for services performed and expenses incurred during the Compensation Period, and (ii) grant such other and further relief as is just.

Dated: August 29, 2017
New York, New York

SHEPPARD MULLIN RICHTER & HAMPTON LLP

By: /s/ Moe Keshavarzi

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Ordinary Course Litigation Counsel for the Debtors

EXHIBIT A

Certification

Moe Keshavarzi, Esq.
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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

BCBG MAX AZRIA GLOBAL HOLDINGS,
LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-10466 (SCC)

(Jointly Administered)

**CERTIFICATION OF MOE KESHAVARZI IN
SUPPORT OF APPLICATION OF SHEPPARD MULLIN RICHTER
& HAMPTON LLP AS ORDINARY COURSE
LITIGATION COUNSEL TO THE DEBTORS
FOR ALLOWANCE OF FEES INCURRED IN EXCESS OF THE OCP CAP**

I, Moe Keshavarzi, Esq., hereby certify that:

1. I am a partner with the applicant firm, Sheppard Mullin Richter & Hampton, LLP (“Sheppard Mullin”), with responsibility to the above-captioned debtors and debtors-in-possession (the “Debtors”) and in compliance with the Court’s *Order (I) Authorizing the Debtors to Retain and Compensate Professionals Utilized in the Ordinary Course of Business and (II) Granting Related Relief* [Dk. No. 236] (the “OCP Order”), the *Amended Guideline for Fees and Disbursements for Professionals in Southern District of New York pursuant to General Order M-447* (Jan. 29, 2013) (the “Local Guidelines”), and the *Guidelines for Reviewing Applications for*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: BCBG Max Azria Global Holdings, LLC (6857); BCBG Max Azria Group, LLC (5942); BCBG Max Azria Intermediate Holdings, LLC (3673); Max Rave, LLC (9200); and MLA Multibrand Holdings, LLC (3854). The location of the Debtors service address is: 2761 Fruitland Avenue, Vernon, California 90058.

Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases, effective November 1, 2013 (the “UST Guidelines,” and, together with the Local Guidelines, the “Fee Guidelines”).

2. This certification is made in connection with Sheppard Mullin’s first and final application, dated August 25, 2017 (the “Application”), for compensation and reimbursement of fees incurred in excess of the OCP Cap and for expenses for the period commencing July 1, 2017 through and including July 31, 2017 in accordance with the Fee Guidelines.

3. Pursuant to section B(1) of the Local Guidelines, I certify that:

- i. I have read the Application;
- ii. To the best of my knowledge, information, and belief formed after reasonable inquiry, the fees and disbursements sought comply with the Local Guidelines;
- iii. The fees and disbursements sought are billed at rates in accordance with those customarily charged by Sheppard Mullin and generally accepted by Sheppard Mullin’s clients; and
- iv. In providing reimbursable services, Sheppard Mullin does not make a profit on that service, whether the service is performed by Sheppard Mullin in-house or through a third party.

4. Pursuant to section B(3) of the Local Guidelines, I certify that the Debtors are being provided with a copy of the Application. Counsel for the Official Committee of Unsecured Creditors and the U.S. Trustee will each be served when the Application is filed with the Court.

5. In accordance with the UST Guidelines, Sheppard Mullin’s response to the questions identified therein is as follows:

Question 1: Did Sheppard Mullin agree to any variations from, or alternatives to, Sheppard Mullin’s standard or customary billing rates, fees or terms for services pertaining to this engagement that were provided during the Compensation Period? If so, please explain.

Answer: Yes. Sheppard Mullin agreed to be compensated under contingency fee arrangement in connection with the Action as defined in the Application. Additionally, Sheppard Mullin agreed to a reduced rate of \$380 per hour per attorney for work done in connection with limited discovery in the Action as described in further detail in the Application.

Question 2: Are the fees sought in the Application higher by 10% or more as compared to the fees budgeted for the time period covered by the Application?

Answer: Not applicable.

Question 3: Have any of the professionals included in the Application varied their hourly rate based on geographic location of the bankruptcy case?

Answer: Not applicable.

Question 4: Does the Application include time or fees related to reviewing or revising time records or preparing, reviewing or revising invoices? If so, please quantify by hours and fees.

Answer: No.

Question 5: Does the Application include time or fees for reviewing time records to redact any privileged or other confidential information? If so, please quantify hours and fees.

Answer: No.

Question 6: Does the Application include any rate increases since Sheppard Mullin's retention in this case? If so, did the client review and approve those rate increases in advance? Did the client agree when retaining the law firm to accept all future rate increases?

Answer: Not applicable.

Dated: August 29, 2017
New York, New York

SHEPPARD MULLIN RICHTER & HAMPTON LLP

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Ordinary Course Litigation Counsel for the Debtors

HOURS WORKED BY PROFESSIONAL FOR ENTIRE ENGAGEMENT							
Name of Professional	Position	Department	Year Admitted	Hourly Billing Rate 2016	Hourly Billing Rate 2017	Total Hours Worked	Total Value of Hours Worked¹
Robyn Bytheway	Non-Legal Staff	Business Trials	N/A	\$175	\$175	.60	\$105
Theodore A. Cohen	Special Counsel	Finance & Bankruptcy	1990	\$675	\$685	20	\$13,513
Stacey Crocker	Paraprofessional	Business Trials	N/A	\$265	\$275	11.60	\$3,078
Natasha L. Domek	Associate	Business Trials	2017	N/A	\$355	12	\$4,260
Yaas C. Hejazi	Paraprofessional	Litigation	N/A	\$195	N/A	45.50	\$8,872.50
James W. Hill	Associate	Litigation	2013	\$475	\$490	410	\$192,990.50
Susan M. Hwang	Special Counsel	Intellectual Property	2000	N/A	\$665	.30	\$199.50
Moe Keshavarzi	Partner	Business Trials	2002	\$625	\$645	65.80	\$41,517
Alexander A. Kuljis	Associate	Business Trials	2014	\$435	N/A	6.30	\$2,740.50
John M. Landry	Special Counsel	Business Trials	1998	\$575	N/A	5.50	\$3,162.50
Claudia M. Luna	Paraprofessional	Government Contracts	N/A	\$335	\$345	13.40	\$4,575.00
Maggie Mollet	Paraprofessional	Business Trials	N/A	N/A	\$275	2.0	\$540
Ariela R. Pier	Associate	Business Trials	2016	N/A	\$355	44.70	\$15,883.50
Pearl J. Poon	Paraprofessional	Library	N/A	\$185	N/A	.20	\$37
Bradley M. Rank	Managing Attorney	Business Trials	2005	\$275	\$285	6.10	\$1,686.50
Sophia J. Solomon	Associate	Finance & Bankruptcy	2016	N/A	\$480	4.90	\$2,352.00
Scott R. Sveslosky	Partner	Business Trials	2001	\$625	N/A	146.40	\$91,500
Rick O. Thomas	Legal Assistant	Government Contracts	N/A	N/A	\$335	15	\$5,025
TOTAL						810.3	\$392,037.50

¹ The "Total Value of Hours Worked" column depicts the sum of each professional's normal hourly rate multiplied by the number of hours worked during this engagement. As noted in this Application, pursuant to the Engagement Letter, Sheppard Mullin agreed to be compensated under a contingency fee arrangement in connection with the Action. Accordingly, this table is provided to show the hourly rate and aggregate amount that would have been charged to the client, and is charged to all clients in similar litigation matters, if not for the contingent nature of the engagement.

EXHIBIT C

EXPENSE SUMMARY		
Expense Description	Vendor/Provider	Expense Sub-Total
Legal Research	Westlaw, Lexis	\$3,168.30
Telephone Services	Soundpath Legal	\$8.01
Travel	Air Canada, Intercontinental Montreal	\$9,799.61
Local Israeli Counsel	Hellerstein Law	\$2,145
Court Reporter/Transcript Fees	First Legal Deposition	\$6,683.45
Data Hosting/Data Analysis	Transwest	\$6,491.79
Duplication/Copying	In-house	\$5,479.25
Postage	USPS	\$139.17
Delivery Services, Messenger, Courier	Pro Courier, Federal Express	\$8,039.18
TOTAL:		\$41,953.76¹

¹ The total amount of expenses in the chart reflects the true value of disbursements incurred by Sheppard Mullin during the course of the matter and which have not been reimbursed by the Debtors. Sheppard Mullin has agreed to discount the amount requested for reimbursement of the aggregate amount of expenses and is only requesting \$37,696.00 of the total expenses incurred.