

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

In re:

Halt Medical, Inc.,

Debtor.

Chapter 11

Case No. 17-10810 (LSS)

Re. Docket No. 70

ORDER ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION

This matter coming before the Court on the *Debtor's Motion for Entry of an Administrative Order Establishing Procedures for Interim Compensation under Section 331 of the Bankruptcy Code* (the "Motion");¹ and the Court having reviewed the Motion; and it appearing that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157, and the *Amended Standing Order of Reference* dated February 29, 2012, from the United States District Court for the District of Delaware, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b), and the Court may enter a final order consistent with Article III of the United States Constitution, (c) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409, and (d) notice of the Motion was sufficient under the circumstances and no other or further notice need be provided; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtor and its estate; and after due deliberation and sufficient cause therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.

¹ Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.

2. Except as otherwise provided in an order of the Court authorizing the retention of a particular professional, the professionals specifically retained pursuant to an order of the Court in this case may seek interim payment of compensation and reimbursement of expenses in accordance with the following Compensation Procedures:

- a. Beginning with May 2017, each Professional seeking interim compensation may file an application (the "Monthly Fee Application") with the Court pursuant to section 331 of the Bankruptcy Code, for interim approval and allowance of compensation for services rendered and reimbursement of expenses incurred during the immediately preceding month (the "Compensation Period") and serve a copy of such Monthly Fee Application on:
 - (i) Halt Medical, Inc., 131 Sand Creek Road, Suite B, Brentwood, CA 94513, Attn: Kimberly Bridges-Rodriguez;
 - (ii) proposed counsel to the Debtor, Drinker Biddle & Reath LLP, 222 Delaware Ave., Suite 1410, Wilmington, DE 19801, Attn: Steven K. Kortanek;
 - (iii) the Office of the United States Trustee for the District of Delaware, J. Caleb Boggs Federal Building, Room 2207, 844 North King Street, Wilmington, Delaware 19801, Attn: Richard L. Schepacarter and Brya M. Keilson; and
 - (iv) counsel to any official committee appointed in this case (collectively, the "Notice Parties").

All Monthly Fee Applications shall comply with the Bankruptcy Code, the Bankruptcy Rules, applicable Third Circuit precedent, and the Local Rules, and shall substantially conform to Local Forms 101 and 102. Any Professional that fails to file a Monthly Fee Application for a particular month may file a consolidated Monthly Fee Application for compensation earned and expenses incurred during the previous months.

- b. Each Notice Party will have until 4:00 p.m. (ET) on the twenty-first (21) day after service of a Monthly Fee Application (the "Objection Deadline") to object thereto. If no objections are raised prior to the expiration of the Objection Deadline, the fee applicant shall file a certificate of no objection with the Court pursuant to Local Rule 9013-l(j) after which the Debtor shall be authorized to pay each such Professional an amount (the "Actual Interim Payment") equal to the lesser of:

- (i) 80 percent of the fees and 100 percent of the expenses requested in the Monthly Fee Application (the “Maximum Interim Payment”); and
 - (ii) 80 percent of the fees and 100 percent of the expenses not subject to an objection pursuant to subparagraph (c), below.
- c. If any Notice Party objects to a Professional’s Monthly Fee Application, it must, on or before the expiration of the Objection Deadline, file with the Court and serve on the affected Professional and each of the Notice Parties a written objection (the “Objection”) so as to be received on or before the Objection Deadline. Any such Objection shall identify with specificity the objectionable fees and/or expenses, including the amount of such objected to fees and/or expenses, and the basis for such objection. Thereafter, the objecting party and the affected Professional may attempt to resolve the Objection on a consensual basis. If the parties are unable to reach a resolution of the Objection within 21 days after service of the Objection, the affected Professional may either:
 - (i) file a response to the Objection with the Court, together with a request for payment of the difference, if any, between the Maximum Interim Payment and the Actual Interim Payment made to the affected Professional (the “Incremental Amount”); or
 - (ii) forego payment of the Incremental Amount until the next interim or final fee application hearing, at which time the Court will consider and dispose of the Objection if requested by the parties.
- d. Beginning with the period ending May 31, 2017, and at three month intervals thereafter, each of the Professionals may file with the Court and serve on the Notice Parties an application (an “Interim Fee Application”) requesting interim Court approval and allowance, under Bankruptcy Code section 331, of the compensation and reimbursement of expenses sought in the Monthly Fee Applications filed during such period (the “Interim Fee Period”), including holdbacks. The Interim Fee Application must identify the Monthly Fee Applications that are the subject of such application and any other information requested by the Court or required by the Local Rules, and shall substantially conform to Local Forms 101 and 102.
- e. The Debtor shall request a hearing on the pending Interim Fee Applications at least once every six months. The Debtor, however, may request that a hearing be held every three months or at such other intervals as the Court deems appropriate. If no objections are pending, the Court may grant an Interim Fee Application without a hearing.
- f. The pendency of an objection to payment of compensation or reimbursement of expenses will not disqualify a Professional from the

future payment of compensation or reimbursement of expenses, unless the Court orders otherwise.

- g. Neither (i) the payment of or the failure to pay in whole or in part monthly interim compensation and reimbursement of expenses, nor (ii) the filing of or failure to file an objection will bind any party in interest or the Court with respect to the allowance of interim or final applications for compensation and reimbursement of expenses of the Professionals. All fees and expenses paid to the Professionals are subject to disgorgement until such expenses are finally allowed by the Court.

3. Each member of any official committee appointed in this case is permitted to submit statements of expenses (excluding committee member counsel expenses) and supporting documentation to counsel for any such committee, which shall collect and submit the committee members' requests for reimbursement in accordance with the Compensation Procedures.

4. All time periods referenced in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

5. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: May 30, 2017



The Honorable Laurie Selber Silverstein
United States Bankruptcy Judge