

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

In re:

TRIAD GUARANTY INC.

Debtor.

Chapter 11

Case No. 13-11452 (MFW)

**Objections Due: August 28, 2017 at 4:00 p.m. ET  
Hearing Date: TBD if necessary**

**FIRST MONTHLY FEE APPLICATION OF SHAW FISHMAN GLANTZ &  
TOWBIN LLC FOR COMPENSATION FOR SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES AS COUNSEL TO THE DEBTOR AND  
DEBTOR-IN-POSSESSION FOR THE PERIOD JUNE 5, 2017 THROUGH JUNE  
30, 2017**

Name of Applicant Shaw Fishman Glantz & Towbin LLC

Authorized to Provide Professional Services to: Debtor and Debtor-in-Possession

Date of Retention: *Nunc Pro Tunc* to June 5, 2017<sup>1</sup>

Period for which Compensation and Reimbursement is Sought for the First Interim Period: June 5, 2017 through June 30, 2017

Amount of Compensation Sought as Actual, Reasonable, and Necessary for the First Interim Period: \$19,542

Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary for the First Interim Period: \$287.35

This is a(n):  Monthly  Interim  Final Fee Application

This is Shaw Fishman’s second monthly fee application. The total time expended in connection with the preparation of this fee application is not included herein as such time was expended after the Compensation Period.

<sup>1</sup> See Order Granting Application of the Debtor for an Order Under Bankruptcy Code Sections 327(a) and 328(a), Fed. R. Bankr. P. 2014 and 2016, and Del. Bankr. L.R. 2014-1 and 2016-1 Authorizing and Approving the Employment and Retention of Shaw Fishman Glantz & Towbin LLC as Counsel Nunc Pro Tunc to June 5, 2017, entered on July 11, 2017 [D.I. 483].

**CUMULATIVE SUMMARY OF PROFESSIONAL SERVICES RENDERED BY  
SHAW FISHMAN GLANTZ & TOWBIN LLC ON BEHALF OF THE DEBTOR  
AND DEBTOR-IN-POSSESSION FOR THE PERIOD JUNE 5, 2017 THROUGH  
JUNE 30, 2017**

<b>NAME OF PROFESSIONAL</b>	<b>POSITION/DATE ADMITTED TO BAR</b>	<b>HOURLY BILLING RATE</b>	<b>TOTAL HOURS BILLED</b>	<b>TOTAL COMPENSATION SOUGHT</b>
Thomas M. Horan	Member – Admitted to Delaware Bar 2005; Joined Shaw Fishman in 2016; Member since 2016	\$495	19.8	\$9,801
David R. Doyle	Associate – Admitted to Illinois Bar 2010; Joined Shaw Fishman in 2012	\$355	26.5	\$9,407.50
Olha Rafalovsky	Paralegal – Joined Shaw Fishman in 2015	\$145	2.3	\$333.50
<b>TOTALS</b>			<b>48.6</b>	<b>\$19,542</b>
<b>Total Blended Rate</b>				<b>\$402.10</b>

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JUNE 30, 2017**

Task Description	Hours	Amount
Cash Collateral/DIP Financing	12.3	\$5,080.50
Communications/Meetings with Debtor	.8	\$396
Creditors and Claims	.7	\$346.50
Fee Applications – Others	.9	\$445.50
General Investigation	1.3	\$615.50
Operating Reports	.2	\$99
Plan of Reorganization	16.5	\$6,641.50
Retention/Shaw Fishman	5.7	\$2,002.50
Tax Issues	.4	\$198
United States Trustee Matters	9.8	\$3,717
<b>Total</b>	<b>48.6</b>	<b>\$19,542</b>

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JUNE 30, 2017**

EXPENSES	AMOUNTS
Pacer	\$61.80
Westlaw	\$225.55
<b>Total Expenses Requested:</b>	<b>\$287.35</b>

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30, 2017**

Shaw Fishman Glantz & Towbin LLC (“Shaw Fishman”), as counsel to Triad Guaranty Inc., the above-captioned debtor and debtor-in-possession (the “Debtor”), submits its First Monthly Fee Application (the “Application”), pursuant to sections 327, 330(a), 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”), 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 this Court’s Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members, entered July 8, 2013 (the “Interim Compensation Order”)<sup>2</sup> [D.I. 57] for (i) the allowance of interim compensation for professional services performed by Shaw Fishman for the first monthly application period from June 5, 2017 through and including June 30, 2017 (the “Compensation Period”) in the amount of \$19,542 (the “Interim Compensation Amount”), and (ii) reimbursement of its actual and necessary expenses in the amount of \$287.35 (the

<sup>2</sup> Capitalized terms used herein but not capitalized shall have the meaning(s) ascribed to them in the Interim Compensation Order.

“Interim Expense Amount”) incurred during the second monthly application period. In support of this Application, Shaw Fishman respectfully represents:

### **JURISDICTION**

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. § 157(b)(2).
2. Venue in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

### **BACKGROUND**

3. On June 3, 2013 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor is operating its business and managing its property as debtor-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

4. No request has been made for the appointment of a trustee or examiner, and no statutory committee has been appointed in this case.

5. By this Court’s Order Granting Application of the Debtor for an Order Under Bankruptcy Code Sections 327(a) and 328(a), Fed. R. Bankr. P. 2014 and 2016, and Del. Bankr. L.R. 2014-1 and 2016-1 Authorizing and Approving the Employment and Retention of Shaw Fishman Glantz & Towbin LLC as Counsel Nunc Pro Tunc to June 5, 2017, entered on July 11, 2017 (the “Retention Order”) [D.I. 483], the Debtor was authorized to retain Shaw Fishman as their attorneys effective June 5, 2017. The Retention Order authorizes the Debtors to compensate Shaw Fishman in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and such other procedures as were to be fixed by order of the Court. On July 8, 2013, the Court entered the Interim Compensation Order, which

established such procedures.

**SUMMARY OF APPLICATION FOR THE COMPENSATION PERIOD**

6. By this Application, and in accordance with the Interim Compensation Order, Shaw Fishman requests approval of the Interim Compensation Amount and the Interim Expense Amount for the Compensation Period.

7. During the Compensation Period, Shaw Fishman performed the services for which it is seeking compensation from the Debtor and its estate. Shaw Fishman received no payment and no promises of payment from any other source for services rendered, or to be rendered, in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between Shaw Fishman and any other person, other than members of the firm, for the sharing of compensation received for services rendered in these cases.

8. Shaw Fishman maintains computerized records of the time spent by all Shaw Fishman attorneys and paraprofessionals in connection with its representation of the Debtor. Shaw Fishman's invoice for the Compensation Period is attached hereto as Exhibit A.

9. Shaw Fishman seeks monthly allowance and payment, pursuant to Bankruptcy Code sections 330 and 331, of all fee and expenses incurred during the Compensation Period. The firm's total fees sought for the Compensation Period are \$19,542, and its total expenses are \$287.35.

10. Pursuant to the Interim Compensation Order, 80% of the firm's fees, or \$15,633.60, is payable to Shaw Fishman, together with 100% of the firm's expenses, absent an objection to the Application.

**A. Summary of Services Rendered by Shaw Fishman During the Compensation Period**

11. This Application is the first monthly fee application for Interim Compensation that Shaw Fishman has filed in these cases. During the Application Period, Shaw Fishman provided, among others, the following professional services to the Debtor: (i) negotiating and drafting a plan of reorganization; (ii) negotiating and seeking approval of post-petition financing; (iii) addressing and responding to the United States Trustee's Motion for Entry of an Order Converting or Dismissing the Chapter 11 Case, or in the Alternative, Setting a Deadline to File a Chapter 11 Plan and Disclosure Statement (the "Motion to Convert") [D.I. 483]; (iv) substituting as counsel to the Debtor and seeking approval of its retention; and (v) performing all of the other professional services that are described in this Application and set forth in the attached time records.

12. Attached as Exhibit A are Shaw Fishman's itemized time records for professionals and paraprofessionals performing services for the Debtor during the Compensation Period.

13. During the Compensation Period, Shaw Fishman billed the Debtor for time expended by attorneys and paraprofessionals based on hourly rates ranging from \$145 to \$495 per hour. The professional services performed by Shaw Fishman on behalf of the Debtor during the Compensation Period required an aggregate expenditure of 48.6 recorded hours by Shaw Fishman's members, associates, and paraprofessionals. Shaw Fishman's blended hourly rate for services provided during the Compensation Period is \$402.10.

14. The fees charged by Shaw Fishman as set forth in Exhibit A are billed in accordance with Shaw Fishman's existing billing rates and procedures in effect during

the Compensation Period.

15. All entries itemized in Shaw Fishman's time records comply with the requirements set forth in Local Rule 2016-2, including, without limitation, (i) the utilization of project categories, (ii) a description of each activity or service that each individual performed, and (iii) the number of hours (in increments of one-tenth of an hour) spent by each individual providing the services. Each project category in Exhibit A is organized in accordance with Shaw Fishman's internal system of project category or work codes (each a "Task Code"). If a Task Code does not appear, then Shaw Fishman did not bill time or expenses for that Task Code during the Compensation Period, but may bill time for that Task Code in the future. In accordance with Local Rule 2016-2(d)(x), all activity descriptions in Exhibit A are presented chronologically within each Task Code category.

16. The following is a non-exclusive summary of the more significant categories of professional services rendered by Shaw Fishman during the Compensation Period.

- a. **Plan of Reorganization** (Fees: \$6,641.50; Hours: 16.5). Shaw Fishman professionals commenced negotiating drafting a plan of reorganization for the Debtor, in conjunction with its co-plan proponent, Wolfgang Holdings, LLC.
- b. **Cash Collateral/DIP Financing** (Fees: \$5,080.50; Hours: 12.3). Shaw Fishman professionals negotiated post-petition financing and drafted and filed a motion seeking approval of such financing.
- c. **United States Trustee Matters** (Fees: \$3,717; Hours: 9.8). Shaw Fishman professionals addressed and responded to the Motion to Convert.

17. The foregoing professional services performed by Shaw Fishman were necessary and appropriate to the administration of this case. The professional services



performed by Shaw Fishman were in the best interests of the Debtor and other parties in interest. Compensation for the foregoing services as requested is commensurate with the complexity, importance, and time-sensitive nature of the problems, issues, or tasks involved. The professional services were performed with expedition and in an efficient manner.

18. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount of fees requested is fair and reasonable given: (a) the complexity of the case; (b) the time expended; (c) the nature and extent of the services rendered; (d) the value of such services; (e) Shaw Fishman's established expertise in the bankruptcy field; and (f) the costs of comparable services other than in a case under the Bankruptcy Code.

**B. Actual and Necessary Expenses of Shaw Fishman**

19. Pursuant to Local Rule 2016-2(e), attached as Exhibit A are Shaw Fishman's itemized records detailing expenses incurred on behalf of the Debtor during the Compensation Period.

20. As more fully described in Exhibit A, Shaw Fishman seeks reimbursement for the following categories of expenses: (a) Westlaw Research and (b) Pacer Research. All entries detailed in Exhibit A comply with the requirements set forth in Local Rule 2016-2(e), including an itemization of the expenses by category, the date the expense was incurred, and the individual incurring the expense, where available. Shaw Fishman has not requested reimbursement of expenses related to overhead charges.

21. Shaw Fishman has incurred \$287.35 in out-of-pocket expenses incurred as reasonable and necessary costs relating to serving as counsel to the Debtor during the

Compensation Period. These charges are intended to cover Shaw Fishman's direct costs incurred in representing the Debtor, which costs are not incorporated in any respect into Shaw Fishman's hourly billing rates. 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. Only clients who actually use services of the types set forth in Exhibit A are separately charged for such services. Shaw Fishman has made every effort to minimize its expenses in these cases. The actual expenses incurred in providing professional services were necessary, reasonable, and tailored to serve the needs of the Debtor.

**C. The Requested Compensation Should be Allowed**

22. The professional time expended by the firm, the value of said time in fees, and the value of the actual expenses incurred by the firm were actual, reasonable, and necessary. In all respects, the firm's fees and expenses meet the standards for allowance under Bankruptcy Code section 330, as well as the standards that govern the review and allowance of bankruptcy professionals' fees. See, e.g., In re Busy Beaver Bldg. Ctrs., Inc., 19 F.3d 833 (3d Cir. 1994).

23. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 of the Bankruptcy Code to govern the Court's award of such compensation. See 11 U.S.C. § 331. 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 U.S.C. § 330(a)(1)(A)(B). Section 330 of the Bankruptcy Code also sets forth the

criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded ... 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. 11 U.S.C. § 330(a)(3).

24. Whenever possible, Shaw Fishman sought to minimize the costs of its services to the Debtor by assigning tasks as appropriate to junior attorneys and paraprofessionals whose rates are lower. Shaw Fishman's delegation has resulted in a desirable blended rate for its timekeepers.

25. Moreover, all of the services performed by members and associates of Shaw Fishman were rendered by professionals in the firm's commercial bankruptcy and restructuring practice area. In so doing, Shaw Fishman brought to bear the utmost in relevant experience for the Debtor and its estate.

26. In sum, the services rendered by Shaw Fishman were necessary and beneficial to the Debtor and its estate and were 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.

**D. Reservation**

27. To the extent time or disbursement charges for services rendered or disbursements incurred relate to the Compensation Period but were not processed prior to the preparation of this Application, or Shaw Fishman has for any other reason not sought compensation or reimbursement of expenses herein with respect to any services rendered or expenses incurred during the Compensation Period, Shaw Fishman reserves the right to request additional compensation for such services and reimbursement of such expenses in a future application.

**NOTICE**

28. Notice of this Application will be served upon: (i) the Office of the United States Trustee, J. Caleb Boggs Federal Building, Room 2207, 844 North King Street, Wilmington, Delaware 19801, Attention: Jane M. Leamy; (ii) the Debtor, 1900 Crestwood Blvd., Birmingham, AL 35210, Attn: William T. Ratliff, III; and (iii) any other parties required to receive notice pursuant to the Interim Compensation Order.

Dated: August 7, 2017

**SHAW FISHMAN GLANTZ  
& TOWBIN LLC**

*/s/ Thomas M. Horan*

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