

C4D-GBN

98-6583

FEE APPLICATION SUMMARY

In re
UNISON HEALTHCARE CORPORATION, a Delaware Corporation, and related proceedings,)
Debtors.)

) CHAPTER 11
Case Nos. B-98-06583-PHX-GBN
through B-98-06612-PHX-GBN Approved

In re
)
)
)

BRITWILL INVESTMENTS, INC., a Delaware corporation, and related proceedings.)
Debtors.)

Name of Applicant
PricewaterhouseCoopers LLP

Role in the Case
Accountants to Provide Special Litigation Assistance for Debtors

Expenses
1,480.59

Fees
266,183.50

Requested First and Final
266,183.50

FILED
FROM THE OVERTNIGHT BOX
MAR 22 1999

KEVIN E. O'BRIEN, CLERK
UNITED STATES
BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

Current Application
Fees Requested \$266,183.50
Expenses Requested 1,480.59
Total Requested \$267,664.09

Retainer Paid \$0.00
Draws on Retainer \$0.00
Replenishment of Retainer \$0.00
Remaining Retainer \$0.00

NAMES OF PROFESSIONALS	YEAR	RATE	HOURS BILLED CURRENT APPLICATION		TOTAL FOR APPLICATION
			APPLICATION	APPLICATION	
Burr, T.	1998/99	240	318.2		76,368.00
Clewell, L.	1998/99	145	321.6		46,632.00
Hahn, A.	1998/99	220	19.6		4,312.00
Kelly, A.	1998/99	185	25.0		4,625.00
Lunny, R.	1998/99	145	76.1		11,034.50
Queenin, D.	1998/99	145	43.4		6,293.00
Sands, K.	1998/99	185	25.4		4,699.00
Schwartz, J.	1998/99	145	5.1		739.50
Smith, R.	1998/99	145	87.7		12,716.50
Swetonic, R.	1998/99	185	268.0		49,580.00
Tucker, M.	1998/99	290	169.6		49,184.00
Total Hours:			1359.7	Total Fees:	266,183.50
TOTAL BLENDED HOURLY RATE:				Total Fees Requested:	266,183.50
TOTAL:					\$195.77
					\$267,664.09 (fees plus expenses)

933y

1 MICHAEL A. TUCKER
2 TED BURR
3 **PRICEWATERHOUSECOOPERS LLP**
4 2901 North Central Avenue, Suite 1000
5 Phoenix, AZ 85012
6 Telephone: (602) 280-1800

7 UNITED STATES BANKRUPTCY COURT
8 DISTRICT OF ARIZONA

9
10 In Re:

11 UNISON HEALTHCARE CORPORATION, a
12 Delaware corporation, and related proceedings,

13 Federal I.D. No. 86-0684011

14 Debtors

15 In Re:

16 BRITWILL INVESTMENTS, INC., a
17 Delaware corporation, and related proceedings

18 Debtors

) In Proceedings Under Chapter 11

) Case Nos. 98-06583-PHX-GBN
) through B-98-06612-PHX-GBN

) Case Nos. B-98-0173-PHX-GBN
) Through B-98-0175-PHX-GBN

) FIRST AND FINAL APPLICATION OF
) PRICEWATERHOUSECOOPERS LLP AS
) ACCOUNTANTS TO PROVIDE SPECIAL
) LITIGATION ASSISTANCE FOR
) DEBTORS AND DEBTORS-IN-
) POSSESSION FOR ALLOWANCE OF
) COMPENSATION AND
) REIMBURSEMENT OF EXPENSES

23
24 **APPLICATION PERIOD:**

July 16, 1998 – January 31, 1999

25 **INTERIM APPLICATION NUMBER:** First and Final

26
27 **TOTAL FEES REQUESTED:** \$ 266,183.50

TOTAL EXPENSES REQUESTED: \$ 1,480.59

28 **TOTAL APPLICATION REQUESTED:** \$ 267,664.09

1 **I. INTRODUCTION**

2 PricewaterhouseCoopers LLP ("PricewaterhouseCoopers" or the "Firm"), as
3 accountants to provide special litigation assistance to Union Healthcare Corporation n/k/a
4 Raintree Healthcare Corporation, a Delaware corporation, Debtors and Debtor-in-possession,
5 hereby makes its First and Final Application for Allowance of Compensation and Reimbursement
6 of Expenses ("First and Final Application") for the period from July 16, 1998 through January 31,
7 1999 (the "Final Application Period").

8 During the Final Application Period, PricewaterhouseCoopers spent 1,359.7 hours
9 in its assistance to the Debtors. Based upon PricewaterhouseCoopers' hourly rates in effect at the
10 time said services were rendered, PricewaterhouseCoopers' total fees for the Final Application
11 Period are \$266,183.50. The total blended hourly rate for PricewaterhouseCoopers'
12 professionals is \$195.77. During the Final Application Period, PricewaterhouseCoopers incurred
13 out-of-pocket expenses for which PricewaterhouseCoopers is seeking reimbursement in the
14 amount of \$1,480.59. Total compensation and expense reimbursement requested by
15 PricewaterhouseCoopers for the Final Application Period is \$267,664.09.

16
17 **II. NARRATIVE SUMMARY**

18 A. General Background.

19 1. On May 28, 1998 (the "Petition Date"), Unison Healthcare Corporation, a
20 Delaware corporation, and its wholly owned subsidiaries filed its voluntary petition under Chapter
21 11 of the Bankruptcy Code, thereby commencing its above-captioned Chapter 11 case.

22 2. On July 16, 1998, the Debtors filed a Notice of Application for an Order
23 Approving the Employment of PricewaterhouseCoopers LLP as Accountants to Provide Special
24 Litigation Assistance for Debtors and Debtors-in Possession ("Application"). Pursuant to the
25 Application, on September 14, 1998, the Court entered an Order authorizing the Debtors'
26 employment of the Firm, effective as of July 16, 1998 (the "Employment Date").

27 3. This is PricewaterhouseCooper's first and final application for
28 compensation which covers the period from July 16, 1998 through January 31, 1999. The Firm

1 has made no application to the Court for payment of fees and expenses prior to the filing of this
2 application. Estimated progress billings were submitted to the Debtors for the periods of July 16,
3 1998 through November 30, 1998; December 1, 1998 through December 31, 1998; and January
4 1, 1999 through January 31, 1999. However, the Firm has received no compensation from the
5 Debtor from the date of the bankruptcy filing. The names of the Firm professionals requesting fees
6 and the hourly rate charged by each is listed in Exhibit "A". The rates charged by professionals in
7 this case are the customary rates charged by the Firm in similar markets.

8 4. Except as the Firm may be entitled to receive compensation herein,
9 PricewaterhouseCoopers has no arrangements with any other parties for compensation for the
10 services rendered to the Debtors, nor has the Firm received any funds from any parties for the
11 services rendered to the Debtors. Further, the Firm has not made any arrangement to share any
12 compensation awarded or received other than the normal division of fees that, as a matter of
13 course, occurs between accountants who are members of the Firm. The members of
14 PricewaterhouseCoopers are disinterested persons defined in 11 U.S.C. § 101(14) and do not
15 hold or represent any interest adverse to the estates.

16 B. Summary of Professional Services Performed by PricewaterhouseCoopers by
17 Project Code

18 Pursuant to the Trustee Guidelines, PricewaterhouseCoopers has established
19 several different project billing categories for these bankruptcies. The following summaries of
20 professional services performed by PricewaterhouseCoopers are set forth by project billing
21 category. The status of all the foregoing project is that they are all complete

22 1. Plan Confirmation Litigation. PricewaterhouseCoopers extensively assisted the
23 Debtors and their counsel in the contested confirmation of the Debtors' Plan of Reorganization
24 (the "Plan"). Tasks in this category included analyzing objections the Plan, analyzed specific
25 bankruptcy code criteria for substantive consolidation, drafted declaration of Michael Tucker with
26 detailed exhibits that addressed specific objections to the Plan, in lieu of direct testimony, worked
27 extensively with counsel regarding substantive consolidation issues, analyzed the costs to separate
28 accounting functions and create individual financial statements by individual legal entity, analyzed

1 the financial impact of ongoing litigation assuming Unison was not substantively consolidated,
2 review and critique of opposing party expert declarations, work with counsel in preparing Clayton
3 Kloehr and Michael Tucker for depositions, prepare counsel for depositions of opposing experts
4 depositions, and worked with counsel in preparing Clayton Kloehr and Michael Tucker for trial
5 testimony. In addition, the Firm representatives attended several court hearings as was necessary
6 and required by the Debtors.

7 The foregoing services were necessary and conferred a benefit the Debtors and the
8 Estate for the reason that the Firm was able to advise and assist Counsel with the deposition and
9 trial preparation and review of the depositions and court hearings. This assistance helped lead to
10 a successful settlement of the objections to the Plan and thus the Plan was able to be confirmed.

11 The persons providing services on these matters and the associated fees are
12 summarized in Exhibit "B" and supporting time detail provided for each individual in Exhibit "C".

13 2. Preference and Other Litigation. PricewaterhouseCoopers assisted the Debtors
14 in the preparation of various preliminary financial analyses requested by the Debtors or Debtors'
15 counsel, which were to assist the Debtors as it related to potential preference litigation. Tasks
16 performed by PricewaterhouseCoopers professionals for this category included initial analyses on
17 potential preference actions with related parties, initial analyses to demonstrate lack of solvency at
18 the time of certain transactions and other analyses for preference actions against certain related
19 parties. The foregoing services were necessary and conferred a benefit upon the estate for the
20 reason that the analyses assisted counsel in reaching successful settlement with these related
21 parties in lieu of potential contested litigation.

22 The persons providing services on these matters and the associated fees are
23 summarized in Exhibit "B" and supporting time detail provided for each individual in Exhibit "C".

24 3. Liquidation Analysis. The Firm performed extensive analyses of the Debtors
25 balance sheets to assist management in preparing liquidation analysis for inclusion in the Debtors'
26 Disclosure Statement. Services provided in this category include: performing extensive analyses
27 of the balance sheets for each of the Debtors' entities, analyzed the integrity of the projection
28 model created by other Debtor professionals, created a Discounted Cash Flow analysis for each of

1 the Debtors' facilities and ancillary business lines, created regression and market multiple analyses
2 utilizing proprietary PricewaterhouseCoopers databases, summarized valuations for each entity
3 and resolved valuation issues with counsel, analyzed the accounts receivable aging reports and
4 created a schedule for liquidation purposes, analyzed the impact to certain business lines of
5 discontinued operations, created a detailed liquidation analysis for each entity, and communicated
6 with counsel and Debtor to resolve specific liquidation issues.

7 The foregoing services were necessary and conferred a benefit upon the estate for
8 the reason that the Firm assisted management in analyzing the liquidation value of the Debtors to
9 ensure that the Plan satisfied the best interest of creditors test. PricewaterhouseCoopers'
10 involvement also conferred a benefit as involvement with management in these analyses prepared
11 PricewaterhouseCoopers to testify regarding these issues at confirmation if was necessary.

12 The persons providing services on these matters and the associated fees are
13 summarized in Exhibit "B" and supporting time detail provided for each individual in Exhibit "C".

14 4. Fee Applications. This category includes the preparation of billing and court-
15 related fee applications and the review of detailed time narratives. The foregoing services were
16 necessary and conferred a benefit upon the estate because the Firm insured that time incurred was
17 beneficial to the estate and any services performed that were not necessary were excluded from
18 this fee application. The foregoing services were also necessary for the reason that the Firm could
19 receive court approval of its fee application.

20 The persons providing services on these matters and the associated fees are
21 summarized in Exhibit "B" and supporting time detail provided for each individual in Exhibit "C".

22
23 C Costs

24 Costs for which the Firm seeks reimbursement total \$1,480.59. All costs in this
25 case are attributable to travel related expenses to utilize a health care valuation expert in the Firm
26 who was not located in Phoenix. These expenses are also customarily charged to non-bankruptcy
27 clients.

1 The amount the Firm has disbursed for actual and necessary expenses in connection with
2 the estate are itemized in Exhibit "D".

3
4 **III. EVALUATING STANDARDS**

5 The fees billed by PricewaterhouseCoopers to the Debtors for the professional
6 services rendered during the application period total \$266,183.50. In accordance with 11 U.S.C.
7 § 330, this amount was calculated using the hourly rate for the accountants involved.

8 In addition, the provisions of § 330 (a) place a premium on the timeliness of administration
9 of the case. Compensable services must be "performed within a reasonable amount of time
10 commensurate with the complexity, importance and nature of the problem, issue or task
11 addressed." 11 U.S.C. § 330(a)(3)(A).

12 For the time period July 16, 1998, through January 31, 1999,
13 PricewaterhouseCoopers has advised the Debtors in connection with financial matters in the case
14 on an ongoing basis and has conducted extensive financial analyses of the Debtor's business
15 operations. PricewaterhouseCoopers has prepared documents concerning the same and has
16 attended conferences, meetings, hearings and made other appearances for and on behalf of the
17 Debtor. PricewaterhouseCoopers has performed numerous accounting and financial consulting
18 services for and on behalf of the Debtor which services are described above and which are
19 itemized in Exhibit "B" attached hereto. PricewaterhouseCoopers maintains daily time records
20 reflecting the actual and necessary time expended per timekeeper in the performance of the
21 services for which compensation is sought.

22 The results PricewaterhouseCoopers obtained within the time frames of this
23 Application illustrate that PricewaterhouseCoopers:

- 24 1. Used the skill required to perform the necessary accounting and financial
25 consulting services.
- 26 2. Provided services necessary to the administration of the case for the benefit
27 of the Debtors; and

1 3. Performed the services within a reasonable amount of time commensurate with
2 the complexity, importance and nature of each task.

3
4 **IV. COMPLIANCE WITH SECTION 504 OF THE BANKRUPTCY CODE AND**
5 **BANKRUPTCY RULE 2016**

6 The Firm has not entered into any arrangement or agreement with any person or
7 entity with respect to the sharing of fees and expenses for which the Firm is seeking compensation
8 and reimbursement as set forth in this Application, except as permitted by Bankruptcy Code
9 §504(b)(1).

10
11 **V. CONCLUSION**

12 WHEREFORE, based upon the foregoing, PricewaterhouseCoopers respectfully
13 requests this Court to enter an Order:

14 1. Approving the First and Final Application of PricewaterhouseCoopers
15 LLP, Accountants to Provide Special Litigation Assistance for Debtors and Debtors-in-
16 Possession, for Allowance of Compensation and Reimbursement of Expenses, and allowing
17 PricewaterhouseCooper's fees in the sum of **\$266,183.50** and costs in the sum of **\$1,480.59** in
18 their entirety;

19 2. Authorizing and directing payment of such approved fees and costs by the
20 Debtors from any and all available funds; and

21 3. Such other and further relief as this Court deems just and proper.

22 Dated this 19th day of March, 1999.

23
24 **PRICEWATERHOUSECOOPERS LLP**

25
26 By Michael A. Tucker
27 Michael A. Tucker
28 2901 North Central Avenue
Suite 1000
Phoenix, Arizona 85012

1 **DECLARATION OF MICHAEL TUCKER**

2
3 **I, MICHAEL TUCKER**, do hereby declare as follows:

- 4 1. I am a partner in the accounting firm of PricewaterhouseCoopers LLP; am personally familiar
5 with all the facts relating to the within proceedings, and am authorized to make this
6 Declaration in support of its First and Final Application for Compensation and Reimbursement
7 of Expenses for services rendered as accountants to Debtors and Debtors-in-Possession for
8 the period of July 16, 1998 through January 31, 1999.
- 9 2. I have read the foregoing First and Final Fee Application and make the solemn oath that the
10 statements contained therein are true to the best of my knowledge, information and belief.
- 11 3. The First and Final Fee Application submitted by PricewaterhouseCoopers for the time period
12 from July 16, 1998 through January 31, 1999, complies with the Guidelines of the United
13 States Trustee.
- 14 4. No agreement or understanding was made or exists between PricewaterhouseCoopers LLP
15 and any other person for the sharing of any compensation which may be awarded to
16 PricewaterhouseCoopers LLP herein.

17
18 Dated this 19th day of March, 1999

19
20 

21 MICHAEL A. TUCKER

22 PricewaterhouseCoopers LLP