

FEE APPLICATION SUMMARY

In re ) **CHAPTER 11**  
 UNISON HEALTHCARE )  
 CORPORATION, a Delaware ) Case Nos. B-98-06583-PHX-GBN  
 Corporation, and related proceedings, ) through B-98-06612-PHX-GBN  
 ) Debtors. ) **Approved**

In re ) **Requested**  
 BRITWILL INVESTMENTS, INC., a ) First and Final 255,669.00  
 Delaware corporation, and related ) 10,559.44  
 proceedings. )  
 ) Case Nos. B-98-0173-PHX-GBN  
 ) through B-98-0175-PHX-GBN  
 ) Debtors. )

Name of Applicant  
 PricewaterhouseCoopers LLP  
 Role in the Case  
 Claims Agents for Debtors

**FILED**  
*FROM THE OVERNIGHT BOX*  
**MAR 22 1999**  
 KEVIN E. O'BRIEN, CLERK  
 UNITED STATES  
 BANKRUPTCY COURT  
 FOR THE DISTRICT OF ARIZONA

Retainer Paid	\$0.00	<b>Current Application</b>	\$255,669.00
Draws on Retainer	\$0.00	Fees Requested	10,559.44
Replenishment of Retainer	\$0.00	Expenses Requested	\$266,228.44
Remaining Retainer	\$0.00	Total Requested	

NAMES OF PROFESSIONALS	YEAR	RATE	HOURS BILLED CURRENT APPLICATION		TOTAL FOR APPLICATION
			HOURS	AMOUNT	
Burr, T.	1998/99	240	192.6	46,224.00	
Clewell, L.	1998/99	145	7.2	1,044.00	
Fang, X.	1998/99	145	207.5	30,087.50	
Fiddes, M.	1998/99	145	75.0	10,875.00	
Hodges, B.	1998/99	185	305.0	56,425.00	
Schumacher, A.	1998/99	145	403.3	58,478.50	
Schwartz, J.	1998/99	145	236.4	34,278.00	
Strucely, L.	1998/99	90	44.0	3,960.00	
Tucker, M.	1998/99	290	49.3	14,297.00	
<b>Total Hours:</b>			<b>1520.3</b>	<b>Total Fees:</b>	<b>255,669.00</b>
<b>TOTAL BLENDED HOURLY RATE:</b>				<b>Total Fees Requested:</b>	<b>255,669.00</b>
<b>TOTAL:</b>					<b>\$168.17</b>
					<b>\$266,228.44 (fees plus expenses)</b>

98-6583

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TED BURR  
2 **PRICEWATERHOUSECOOPERS LLP**  
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4 Telephone: (602) 280-1800

5  
6 UNITED STATES BANKRUPTCY COURT  
7 DISTRICT OF ARIZONA

8  
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  
) CLAIMS AGENT FOR DEBTOR AND  
) DEBTORS IN POSSESSION FOR  
) ALLOWANCE OF COMPENSATION AND  
) REIMBURSEMENT OF EXPENSES

22  
23  
24 **APPLICATION PERIOD:** August 4, 1998 – January 31, 1999  
25 **INTERIM APPLICATION NUMBER:** First and Final

26 **TOTAL FEES REQUESTED:** \$ 255,669.00  
27 **TOTAL EXPENSES REQUESTED:** 10,559.44  
28 **TOTAL APPLICATION REQUESTED:** \$ 266,228.44

1 **I. INTRODUCTION**

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

8 During the Final Application Period, PricewaterhouseCoopers spent 1,520.3 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 \$255,669.00. The total blended hourly rate for PricewaterhouseCoopers'  
12 professionals is \$168.17. During the Final Application Period, PricewaterhouseCoopers incurred  
13 out-of-pocket expenses for which PricewaterhouseCoopers is seeking reimbursement in the  
14 amount of \$10,559.44. Total compensation and expense reimbursement requested by  
15 PricewaterhouseCoopers for the Final Application Period is \$266,228.44.

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 August 4, 1998, a Notice Approving the Employment of  
23 PricewaterhouseCoopers LLP as Claims Agent for Debtors and Debtors-in Possession pursuant  
24 to the Court's "Order Re:Claims" dated June 3, 1998 was filed.

25 3. This is PricewaterhouseCooper's first and final application for  
26 compensation which covers the period from August 4, 1998 through January 31, 1999. The Firm  
27 has made no application to the Court for payment of fees and expenses prior to the filing of this  
28 application. Estimated progress billings were submitted to the Debtors for the periods of August 4,

1 1998 through November 30, 1998; December 1, 1998 through December 31, 1998; and January  
2 1, 1999 through January 31, 1999. However, the Firm has received no compensation from the  
3 Debtor from the date of the bankruptcy filing. The names of the Firm professionals requesting fees  
4 and the hourly rate charged by each is listed in Exhibit "A". The rates charged by professionals in  
5 this case are the customary rates charged by the Firm in similar markets.

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

14 B. Summary of Professional Services Performed by PricewaterhouseCoopers by  
15 Project Code

16 Pursuant to the Trustee Guidelines, PricewaterhouseCoopers has established  
17 several different project billing categories for these bankruptcies. The following summaries of  
18 professional services performed by PricewaterhouseCoopers are set forth by project billing  
19 category.

20 1. Claim Processing. PricewaterhouseCoopers provided claims assistance  
21 including organizing the claims submitted for purposes of claims reconciliation, solicitation, and  
22 tabulation of voting. The Firm utilized its proprietary Claims Management System (CMS) for this  
23 task. The Firm organized various claims data including company records, the schedules, claims  
24 filed by claimants, stockholder registers received from a number of different sources, and  
25 interested party listings received from Counsel. In total, there are approximately 15,000 person  
26 records containing name and address information in the CMS database from the various sources.  
27 The work in this area generally falls into three categories:

1 (a) Claims Input – The Firm managed the accumulation and input of all of the claims  
2 filed by the creditors and all proofs of claim filed in Bankruptcy court. As of the Application  
3 Date, a total of 1,173 proof of claims were reviewed and entered into CMS.

4 (b) Claims Reconciliation –The Debtors provided the Firm with electronic copies of  
5 the schedule of liabilities filed with the Court. These schedules (D, E, F and G) were loaded into  
6 CMS. PricewaterhouseCoopers spent some time manipulating the data into a format usable by  
7 the CMS application. A total of 14,837 invoice records for all Debtors were loaded. This  
8 information was then matched electronically in CMS to proof of claims filed by the same creditor  
9 and discrepancies were identified. These discrepancies were provided to the Debtors in various  
10 reconciliation reports. The Debtor received reconciliation analyses that compared the claim  
11 amounts per the Schedules to the company’s internal accounts payable records, and to the Proofs  
12 of Claims filed by the claimants.

13 (c) Claim Objections – The Firm assisted Counsel by identifying certain claims that  
14 were objectionable including amended claims (40), duplicate claims (106), and late filed claims  
15 (163). These claims objections were identified manually by the Firm professionals. Currently,  
16 over \$5,600,000 in claims are identified for objections by these three types.

17 The foregoing services were necessary and conferred a benefit the Debtors for the  
18 reason that the Firm was able to advise and assist Counsel and Debtor determine proper plan  
19 classes to assign to the claims and assisted with objecting to certain claims filed to reduce the  
20 Debtors’ total outstanding liability.

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

23  
24 2. Solicitation and Balloting. At the request of the Debtor and Counsel, the Firm  
25 assisted in all aspects of the tabulation process, including: created a CMS database to administer  
26 tabulation, inputting ballot voting, quality controlled the tabulation process, and assisting counsel,  
27 the official tabulator, in the tabulation of the votes on the Plan solicitation. The tabulation for this  
28 bankruptcy was significantly more complex than the typical bankruptcy case due to the multiple

1 debtors listed on the ballots, the volume of creditors, the various claim classes listed on the ballot,  
2 and the required timeline. A total of 528 ballots were entered into CMS. Determination of the  
3 appropriate plan class was complex due to the numerous variables and options allowed on the  
4 ballot. The original master mailing matrix that was used to mail out notices and proof of claims  
5 materials had in excess of 13,000 potential claimants. We assisted in being able to eliminate  
6 approximately 10,000 of the potential claimants from the solicitation list. These 10,000 names  
7 were deemed to no longer be current creditors of the Estate and did not submit a proof of claim.  
8 This reduction of mailing enabled the Debtor to save a substantial amount of money due to the  
9 lower volume of printing various solicitation materials and mailing costs.

10           The foregoing services were necessary and conferred a benefit the Debtors for the  
11 reason that the Firm was able to advise and assist Counsel and Debtor determine proper plan  
12 voting classes, reduce printing and mailing costs, and accurately tabulate ballots for voting  
13 purposes.

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

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

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

1 C. Costs

2 Costs for which the Firm seeks reimbursement total 10,559.44. The majority of  
3 costs in this case are attributable to (1) Telephone charges, which were necessary for the data  
4 entry of claims and ballots into the Claims Management System "CMS"; (2) Rental fee for the  
5 Post Office box; and (3) Travel related expenses incurred by out-of-town claims professionals.  
6 These expenses are also customarily charged to non-bankruptcy clients. The amount the Firm has  
7 disbursed for actual and necessary expenses in connection with the estate are itemized as follows:

8 (1) Telephone Charges - CMS	\$7,204.69
9 (2) P.O. Box Rental Fee	500.00
10 (3) Travel Related	2,721.79
11 (4) Miscellaneous (Supplies, Postage)	<u>132.96</u>
12 Total	<u>\$10,559.44</u>

13 The costs are further detailed in Exhibit "D".  
14

15 **III. EVALUATING STANDARDS**

16 The fees billed by PricewaterhouseCoopers to the Debtors for the professional  
17 services rendered during the application period total \$255,669.00. In accordance with 11 U.S.C.  
18 § 330, this amount was calculated using the hourly rate for the accountants involved.

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

23 For the time period August 4, 1998 through January 31, 1999,  
24 PricewaterhouseCoopers has advised the Debtors in connection with claim, solicitation and voting  
25 matters in the case on an ongoing basis. PricewaterhouseCoopers has prepared documents  
26 concerning the same and has attended conferences, meetings, hearings and made other  
27 appearances for and on behalf of the Debtor. PricewaterhouseCoopers has performed numerous  
28 claims agent services for and on behalf of the Debtor which services are described above and

1 which are itemized in Exhibit "B" attached hereto. PricewaterhouseCoopers maintains daily time  
2 records reflecting the actual and necessary time expended per timekeeper in the performance of  
3 the services for which compensation is sought.

4 The results PricewaterhouseCoopers obtained within the time frames of this  
5 Application illustrate that PricewaterhouseCoopers:

- 6 1. Used the skill required to perform the necessary accounting and financial  
7 consulting services.
- 8 2. Provided services necessary to the administration of the case for the benefit  
9 of the Debtors; and
- 10 3. Performed the services within a reasonable amount of time commensurate with  
11 the complexity, importance and nature of each task.

12  
13 **IV. COMPLIANCE WITH SECTION 504 OF THE BANKRUPTCY CODE AND**  
14 **BANKRUPTCY RULE 2016**

15 The Firm has not entered into any arrangement or agreement with any person or  
16 entity with respect to the sharing of fees and expenses for which the Firm is seeking compensation  
17 and reimbursement as set forth in this Application, except as permitted by Bankruptcy Code  
18 §504(b)(1).



1 **V. CONCLUSION**

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

4 1. Approving the First and Final Application of PricewaterhouseCoopers  
5 LLP, Accountants to Provide Special Litigation Assistance for Debtors and Debtors-in-  
6 Possession, for Allowance of Compensation and Reimbursement of Expenses, and allowing  
7 PricewaterhouseCooper's fees in the sum of \$255,669.00 and costs in the sum of \$10,559.44 in  
8 their entirety;

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

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

12 Dated this 19<sup>th</sup> day of March, 1999.

13  
14 PRICEWATERHOUSECOOPERS LLP

15  
16 By Michael A. Tucker  
17 Michael A. Tucker  
18 2901 North Central Avenue  
19 Suite 1000  
20 Phoenix, Arizona 85012  
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27  
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1 **DECLARATION OF MICHAEL TUCKER**

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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 August 4, 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 August 4, 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 19<sup>th</sup> day of March, 1999

19  
20 

21 MICHAEL A. TUCKER

22 PricewaterhouseCoopers LLP