UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
KABBAGE, INC. d/b/a KSERVICING, *et al.*,[1]	Case No. 22-10951 (CTG)
Debtors.	(Jointly Administered)
	Hearing Date: March 22, 2023 at 10:00 a.m. (ET) **Objection Deadline: March 6, 2023 at 4:00 p.m. (ET)**

FIRST INTERIM APPLICATION OF ALIXPARTNERS, LLP, FINANCIAL ADVISOR TO THE CHAPTER 11 DEBTORS, FOR ALLOWANCE OF COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD FROM OCTOBER 3, 2022 THROUGH DECEMBER 31, 2022

Name of Applicant:	**ALIXPARTNERS, LLP**	
Authorized to provide professional services to:	**The Chapter 11 Debtors**	
Date of Retention:	**October 21, 2022 effective as of October 3, 2022 [Docket No. 135]**	
Period for which compensation and reimbursement is sought:	**Beginning of Period**	**End of Period**
	October 3, 2022	**December 31, 2022**
Summary of Total Fees and Expenses Requested During the First Interim Period		
Amount of compensation sought as actual, reasonable and necessary:	**$1,955,331.75**	
Amount of expense reimbursement sought as actual, reasonable and necessary:	**$10,120.46**	
Blended Hourly Rate:	**$759.71**	

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable are: Kabbage, Inc. d/b/a KServicing (3937); Kabbage Canada Holdings, LLC (N/A); Kabbage Asset Securitization LLC (N/A); Kabbage Asset Funding 2017-A LLC (4803); Kabbage Asset Funding 2019-A LLC (8973); and Kabbage Diameter, LLC (N/A). Kabbage is a trademark of American Express used under license; Kabbage, Inc. d/b/a KServicing is not affiliated with American Express. The Debtors' mailing and service address is 925B Peachtree Street NE, Suite 383, Atlanta, GA 30309.

Summary of Prior Payments and Outstanding Amounts Due to AlixPartners During the First Interim Period:	
Total allowed fees paid to AlixPartners during the First Interim Period:	**$1,080,344.60**
Total allowed expenses paid to AlixPartners during the First Interim Period:	**$8,331.69**
Total amount of fees and expenses due and owing to AlixPartners during the First Interim Period:	**$876,775.92**
The total time expended for fee application preparation is 48.6 hours and the corresponding compensation requested is $27,204.50.	
This is a(n): ___ Monthly Application _X_ Interim Application ___ Final Application	

ALIXPARTNERS, LLP

SUMMARY OF MONTHLY FEE APPLICATIONS
DURING THE FIRST INTERIM PERIOD

Date Filed; Docket No.	Period	Requested		Paid		Certificate of No Objection	Amount Outstanding
		Fees	Expenses	Fees	Expenses		
12/02/2022 Docket #323	10/03/2022 - 10/31/2022	$ 731,257.25	$ 5,925.18	$ 585,005.80	$ 5,925.18	12/27/2022 Docket #374	$ 146,251.45
12/29/2022 Docket #391	11/1/2022 - 11/30/2022	$ 619,173.50	$ 2,406.51	$ 495,338.80	$ 2,406.51	1/20/2023 Docket #475	$ 123,834.70
01/30/2022 Docket #496[1]	12/1/2022 - 12/31/2022	$ 604,901.00	$ 1,788.77	$ -	$ -		$ 606,689.77
Total		**$1,955,331.75**	**$ 10,120.46**	**$ 1,080,344.60**	**$ 8,331.69**		**$ 876,775.92**

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[1] Pending objection deadline of February 20, 2023 at 4:00 p.m. (prevailing Eastern Time) for the *Third Monthly Application of AlixPartners, LLP, Financial Advisor to the Chapter 11 Debtors, for Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses Incurred for the Period from December 1, 2022 through December 31, 2022*.

ALIXPARTNERS, LLP

SUMMARY OF HOURS AND FEES BY PROFESSIONAL
DURING THE FIRST INTERIM PERIOD

Professional	Title	Rate	Hours	Fees
Eric Koza	Managing Director	$1,335	2.3	3,070.50
Deborah Rieger-Paganis	Managing Director	$1,160	214.6	248,936.00
James Nelson	Director	$945	424.2	400,869.00
Thora B Thoroddsen	Director	$880	416.6	366,608.00
Elizabeth S Kardos	Director	$750	2.7	2,025.00
John M Katsigeorgis	Senior Vice President	$795	482.2	383,349.00
Laura Capen Verry	Senior Vice President	$530	7.6	4,028.00
Kaitlyn A Sundt	Senior Vice President	$550	0.3	165.00
Heather E Saydah	Senior Vice President	$510	3.0	1,530.00
Anthony Perrella	Vice President	$555	437.5	242,812.50
Nicholas LoBiondo	Vice President	$555	551.1	305,860.50
Brooke Filler	Vice President	$485	1.7	824.50
Lisa Marie Bonito	Vice President	$475	30.0	14,250.00
Total Hours and Fees for Professionals			**2,573.8**	**$ 1,974,328.00**
Less: 50% Travel Fees				(18,996.25)
Total Fees for Professionals				**$ 1,955,331.75**

Average Billing Rate **$ 759.71**

ALIXPARTNERS, LLP

SUMMARY OF HOURS AND FEES BY MATTER CATEGORY
DURING THE FIRST INTERIM PERIOD

Code	Matter Category	Hours	Fees
1.1	Chapter 11 Process / Case Management	148.3	$ 130,240.50
1.3	Cash / Liquidity Matters	879.1	641,299.50
1.4	Communication & Meetings with Interested Parties	32.4	30,307.50
1.5	U.S. Trustee / Court Reporting Requirements	854.7	626,210.50
1.6	CFO Support	8.4	7,730.00
1.9	Plan & Disclosure Statement	335.5	275,517.00
1.10	Transaction Support	13.7	9,343.50
1.13	Vendor Management	48.0	40,653.50
1.14	Executory Contracts	22.2	18,860.00
1.15	Claims Process / Avoidance Actions	61.6	52,791.50
1.16	Adversary Proceedings & Contested Matters	30.2	27,785.00
1.17	Preparation & Attend Court Hearing	40.9	41,572.50
1.19	Retention Applications & Relationship Disclosures	10.7	6,820.00
1.20	Fee Statements & Fee Applications	48.6	27,204.50
1.31	Travel Time	39.5	18,996.25
	Total Hours and Fees By Matter Category	**2,573.8**	**$ 1,955,331.75**

ALIXPARTNERS, LLP

SUMMARY OF EXPENSES
DURING THE FIRST INTERIM PERIOD

Expense Category	Amount	
Airfare	$	2,637.33
Ground Transportation		2,007.74
Lodging		4,478.16
Meals		610.33
Parking & Tolls		247.00
Phone & Internet		99.90
Supplies		40.00
Total Expenses	**$**	**10,120.46**

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
KABBAGE, INC. d/b/a KSERVICING, *et. al*..,[1]	Case No. 22-10951 (CTG)
Debtors.	(Jointly Administered)
	Hearing Date: March 22, 2023 at 10:00 a.m. (ET) **Objection Deadline: March 6, 2023 at 4:00 p.m. (ET)**

FIRST INTERIM APPLICATION OF ALIXPARTNERS, LLP,
FINANCIAL ADVISOR TO THE CHAPTER 11 DEBTORS,
FOR ALLOWANCE OF COMPENSATION FOR PROFESSIONAL
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
FOR THE PERIOD FROM OCTOBER 3, 2022 THROUGH DECEMBER 31, 2022

AlixPartners, LLP ("AlixPartners"), as financial advisor to the above-captioned debtors (the "Debtors"), hereby submits its first interim application (the "Application") for allowance of compensation for professional services rendered and reimbursement of out-of-pocket expenses incurred for the period from October 3, 2022 through December 31, 2022 (the "First Interim Period"). AlixPartners respectfully states as follows:

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable are: Kabbage, Inc. d/b/a KServicing (3937); Kabbage Canada Holdings, LLC (N/A); Kabbage Asset Securitization LLC (N/A); Kabbage Asset Funding 2017-A LLC (4803); Kabbage Asset Funding 2019-A LLC (8973); and Kabbage Diameter, LLC (N/A). Kabbage is a trademark of American Express used under license; Kabbage, Inc. d/b/a KServicing is not affiliated with American Express. The Debtors' mailing and service address is 925B Peachtree Street NE, Suite 383, Atlanta, GA 30309.

Jurisdiction and Venue

1. The United States Bankruptcy Court for the Delaware (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

Basis for Relief

3. The bases for the relief requested herein are Sections 330 and 331 of Title 11 of the United States Bankruptcy Code (the "Bankruptcy Code"), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Rule 2016-2 of the *Local Bankruptcy Rules for the District of Delaware* (the "Local Rules"), the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330*, adopted June 11, 2013 (the "U.S. Trustee Guidelines") and the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 136] (the "Interim Compensation Order").

Background

4. On October 3, 2022 (the "Petition Date"), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, thereby commencing the above-captioned Chapter 11 Cases (the "Chapter 11 Cases") in this Court.

5. No trustee or examiner has been appointed in these Chapter 11 Cases.

AlixPartners' Retention

6. On October 4, 2022, the Debtors filed their *Application of Debtors for Entry of Order Authorizing Employment and Retention of AlixPartners, LLP as Financial Advisor to the Debtors Effective as of the Petition Date* [Docket No. 16].

7. On October 21, 2022, the Court entered the *Order Authorizing Debtors to Employ and Retain AlixPartners, LLP as Financial Advisor Effective as of the Petition Date* [Docket No. 135] (the "Retention Order").

8. AlixPartners is currently holding a retainer in the amount of $476,344.64 (the "Retainer"). Pursuant to the Retention Order, the Retainer shall be treated as an evergreen retainer and held by AlixPartners as security throughout these Chapter 11 Cases until AlixPartners' fees and expenses are fully paid.

9. The Retention Order approved the terms of AlixPartners' hourly fee and expense structure set forth in the engagement letter dated April 25, 2022 (the "Engagement Letter") and authorized AlixPartners to be compensated and reimbursed pursuant to section 327 of the Bankruptcy Code in accordance with the terms of the Engagement Letter, subject to the procedures set forth in the Bankruptcy Code, Bankruptcy Rules, Local Rules, U.S. Trustee Guidelines and the Interim Compensation Order, and any other applicable orders of this Court.

10. Pursuant to the Engagement Letter, Deborah Rieger-Paganis is the managing director responsible for this engagement, assisted by a staff of consultants at various levels with a wide range of relevant skills and abilities.

Monthly Fee Applications During the First Interim Period

11. AlixPartners filed and served three (3) monthly fee applications (the "Monthly Fee Applications") during the First Interim Period pursuant to the Interim Compensation Order. The Monthly Fee Applications contain detailed descriptions of the services rendered in the amount of

$1,955,331.75[2] and out-of-pocket expenses incurred in the amount of $10,120.46 and are noted below:

Date Filed; Docket No.	Period	Requested		Paid		Certificate of No Objection	Amount Outstanding
		Fees	Expenses	Fees	Expenses		
12/02/2022 Docket #323	10/03/2022 - 10/31/2022	$ 731,257.25	$ 5,925.18	$ 585,005.80	$ 5,925.18	12/27/2022 Docket #374	$ 146,251.45
12/29/2022 Docket #391	11/1/2022 - 11/30/2022	$ 619,173.50	$ 2,406.51	$ 495,338.80	$ 2,406.51	1/20/2023 Docket #475	$ 123,834.70
01/30/2022 Docket #496[3]	12/1/2022 - 12/31/2022	$ 604,901.00	$ 1,788.77	$ -	$ -		$ 606,689.77
Total		**$1,955,331.75**	**$ 10,120.46**	**$ 1,080,344.60**	**$ 8,331.69**		**$ 876,775.92**

12. Detailed descriptions of the services performed by each professional, organized by matter category and by date, the aggregate hours of services provided (in tenths of an hour), and a detailed list of the out-of-pocket expenses incurred during the First Interim Period are attached to the Monthly Fee Applications.

13. AlixPartners received payments from the Debtors in the amount of $1,080,344.60 for services rendered and $8,331.69 for out-of-pocket expenses incurred during the Final Period. The total amount of $876,775.92 remains outstanding as of the filing of this Application.

Summary of Services Rendered During the First Interim Period

14. During the First Interim Period, AlixPartners has advised the Debtors on and assisted the Debtors with (i) liquidity forecasting, cash management, and cash collateral compliance/reporting; (ii) communications and/or negotiations with stakeholders and their representatives; (iii) implementation of the accounts payable and liability segregation controls; (iv) preparation of the Statement of Financial Affairs, Schedules of Assets and Liabilities, Monthly Operating Reports and

[2] This amount includes the 20% holdback of fees reflected in the Monthly Fee Applications, including $146,251.45 for the First Monthly Fee Application, $123,834.70 for the Second Monthly Fee Application, $120,980.20 for the Third Monthly Fee Application, for a total holdback of $391,066.35 (the "Holdback").

[3] Pending objection deadline of February 20, 2023 at 4:00 p.m. (prevailing Eastern Time) for the Third Monthly Application of AlixPartners, LLP, Financial Advisor to the Chapter 11 Debtors, for Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses Incurred for the Period from December 1, 2022 through December 31, 2022.

other regular reports required by the Court; (v) development of the winddown budget scenarios; (vi) review of monthly financial statements; (vii) preparation of a liquidation analysis for the plan of reorganization; (viii) coordination and responses to extensive diligence requests from creditors and other interested parties; (ix) development of a servicing cost-per-loan analysis; (x) identification and review of executory contracts; (xi) claims management; and (xii) attendance at Board meetings to present analysis and coordinate on case priorities.

Summary of Services by Category During the First Interim Period

15. AlixPartners classified the services performed into separate categories. The descriptions below summarize the services provided by AlixPartners to the Debtors during the First Interim Period.

Matter Code 1.1: Chapter 11 Process/Case Management
148.3 hours - $130,240.50
This category includes: (i) organizing and managing the Debtors' resources to effectively and efficiently plan, coordinate and manage the Chapter 11 process; (ii) reviewing and maintaining dockets and case calendars; and (iii) holding working sessions to keep the engagement team informed of the latest case developments, remain aligned on the many workstreams, verify that resources are properly allocated to meet deadlines, and ensure all matters and issues are addressed in an efficient and timely manner.

Matter Code 1.3: Cash/Liquidity Matters
879.1 hours - $641,299.50
This category includes: (i) maintaining a rolling weekly cash forecasting model; (ii) preparing daily cash balance reporting; (iii) analyzing actual weekly cash receipts and disbursements; (iv) negotiating required reporting format and content for the cash collateral order; (v) reconciling loan-related receipts to determine Debtors' portion; (vi) advising management on complying with post-petition cash management and cash reporting requirements as defined in the cash management and cash collateral orders; (vii) assisting management with reviewing disbursements; and (viii) assisting management with information requests related to liquidity, cash reporting, and cash forecasting.

Matter Code 1.4: Communication & Meetings with Interested Parties
32.4 hours - $30,307.50
This category includes meeting with, preparing reports for, and communications with, various other Debtor professionals, lenders and/or their advisors, the United States Trustee, and other parties in interest.

Matter Code 1.5: U.S. Trustee/Court Reporting Requirements
854.7 hours - $626,210.50
This category includes: (i) preparing the Statement of Financial Affairs and the Schedules of Assets and Liabilities; (ii) reviewing and analyzing supporting documentation for the Statement of Financial Affairs and the Schedules of Assets and Liabilities; (iii) holding working sessions with management and other advisors to keep the remain aligned on the bankruptcy process workstreams and verify that resources are properly allocated to meet deadlines; (iv) designing and maintaining schedules to track payments authorized under the various "first day" and "second day" orders; (v) assisting in preparation of reporting requirements for Initial Debtor Interview; (vi) assisting management in preparation for 341 meeting of creditors; (vii) reviewing bankruptcy court filings and coordinating analysis as needed; (viii) attending Board meetings to present analysis and coordinate on case priorities; and (ix) assisting management with adherance to the requirements of the Court, the U.S. Trustee, and/or the Bankruptcy Code.

Matter Code 1.6: CFO Support
8.4 hours - $7,730.00
This category includes reviewing monthly financial statements and preparing updates to the professional fees forecast.

Matter Code 1.9: Plan & Disclosure Statement
335.5 hours - $275,517.00
This category includes: (i) developing the hypothetical liquidation analysis model for best-interest test; (ii) preparing liquidation analysis exhibits for the disclosure statement; (iii) analyzing the value waterfall to various creditor classes under the proposed plan of reorganization; (iv) preparing the cost-per-loan analysis; and (v) providing edits to the plan and disclosure statement based on stakeholder comments.

Matter Code 1.10: Transaction Support
13.7 hours - $9,343.50
This category includes assisting the Debtors with various transaction and closing-related tasks, including researching and responding to inquiries and information requests from parties in interest, coordinating and managing closing mechanics, and preparing and managing the emergence day funds flow.

Matter Code 1.13: Vendor Management
48.0 hours - $40,653.50
This category includes assisting the Debtors with vendor management, including performing claims analyses, communicating with vendors, negotiating payment terms, and developing and customizing numerous vendor payment proposals.

Matter Code 1.16: Adversary Proceedings & Contested Matters
30.2 hours - $27,785.00
This category includes preparing reports and analyses and attending meetings related to adversary proceedings and other contested matters.

Matter Code 1.17: Preparation & Attend Court Hearing
40.9 hours - $41,572.50
This category includes preparing for and attending Court hearings in person, by video conference, or telephonically.

Matter Code 1.19: Retention Application & Relationship Disclosures
10.7 hours - $6,820.00
This category includes: (i) drafting AlixPartners' retention application, proposed orders and declarations, including analyzing and drafting relationship disclosures required by the Bankruptcy Code; (ii) communications regarding AlixPartners' retention; and (iii) responding to inquiries from the U.S. Trustee.

Matter Code 1.20: Fee Statements & Fee Applications
48.6 hours - $27,204.50
This category includes managing the fee application process, and preparing and reviewing monthly fee applications, including all required supporting documentation, in accordance with requirements of the U.S. Trustee and/or the Court.

Matter Code 1:31: Travel Time
39.5 hours - $18,996.25
This category includes traveling to meetings outside of consultants' respective "home" office region. Hours billed under this category were billed at 50% of AlixPartners' standard rates.

16. AlixPartners believes that the professional fees and out-of-pocket expenses requested are reasonable, actual and for necessary services rendered or expenses incurred on behalf of the Debtors during the First Interim Period.

17. AlixPartners has not entered into any agreement, express or implied, with any other party for the purpose of fixing or sharing fees or other compensation to be paid for professional services rendered in these Chapter 11 Cases. No promises have been received by AlixPartners or any member thereof as to compensation in connection with these Chapter 11 Cases other than in accordance with the provisions of the Bankruptcy Code.

Certification

18. A Certification of Deborah Rieger-Paganis is attached hereto as **Exhibit A** and incorporated herein.

No Prior Request

19. No prior request for the relief sought in this Application has been made to this or any other Court. This Application is made without prejudice to further or final applications based upon all relevant criteria, including the results achieved in the case as a whole.

Notice

20. Notice of the Application has been or will be provided to those parties entitled to receive notice hereof in accordance with any applicable order of this Court.

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Conclusion

WHEREFORE, AlixPartners, as financial advisor to the Debtors, respectfully requests that the Court enter an order providing: (i) an interim allowance in the amount of $1,955,331.75 (including the Holdback in the amount of $391,066.35) as compensation for professional services rendered and reimbursement of out-of-pocket expenses incurred in the amount of $10,120.46 for the First Interim Period; (ii) that the Debtors are authorized and directed to pay AlixPartners the remaining outstanding balance of $876,775.92; and (iii) such other and further relief as this Court deems proper.

Dated: February 14, 2023

ALIXPARTNERS, LLP
909 Third Avenue, 28th Floor
New York, New York 10022

/s/ Deborah Rieger-Paganis
By: Deborah Rieger-Paganis
Partner & Managing Director