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: June 22, 2023 at 10:00 a.m. (ET) **Objection Deadline: June 5, 2023 at 4:00 p.m. (ET)**

SECOND 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 JANUARY 1, 2023 THROUGH MARCH 31, 2023

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**
	January 1, 2023	**March 31, 2023**
Summary of Total Fees and Expenses Requested During the Second Interim Period		
Amount of compensation sought as actual, reasonable and necessary:	**$1,558,099.50**	
Amount of expense reimbursement sought as actual, reasonable and necessary:	**$11,502.16**	
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 Second Interim Period:	
Total allowed fees paid to AlixPartners during the Second Interim Period:	**$804,782.80**
Total allowed expenses paid to AlixPartners during the Second Interim Period:	**$5,688.22**
Total amount of fees and expenses due and owing to AlixPartners during the Second Interim Period:	**$759,130.64**
The total time expended for fee application preparation is 61.6 hours and the corresponding compensation requested is $36,688.00.	
This is a(n): ___ Monthly Application _X_ Interim Application ___ Final Application	

ALIXPARTNERS, LLP

SUMMARY OF MONTHLY FEE APPLICATIONS DURING THE SECOND INTERIM PERIOD

Date Filed; Docket No.	Period	Requested		Paid		Certificate of No Objection	Amount Outstanding
		Fees	Expenses	Fees	Expenses		
03/03/2023 Docket #601	01/1/2023 - 01/31/2023	$ 536,741.00	$ 1,143.16	$ 429,392.80	$ 1,143.16	03/24/2023 Docket #725	$ 107,348.20
03/29/2023 Docket #736	02/1/2023 - 02/28/2023	469,237.50	4,545.06	375,390.00	4,545.06	04/19/2023 Docket #772	93,847.50
05/08/2023[1] Docket #809	03/01/2023 - 03/31/2023	552,121.00	5,813.94	-	-		557,934.94
Total		**$1,558,099.50**	**$ 11,502.16**	**$ 804,782.80**	**$ 5,688.22**		**$ 759,130.64**

SUMMARY OF INTERIM FEE APPLICATIONS

Date Filed; Docket No.	Period Covered	Requested		Date Order Filed; Docket No.	Awarded		Paid		Amount Outstanding
		Fees	Expenses		Fees	Expenses	Fees	Expenses	
02/14/2023 Docket #532	10/03/2022 - 12/31/2022	$ 1,955,331.75	$ 10,120.46	03/31/2023 Docket #747	$ 1,955,331.75	$ 10,120.46	$ 1,955,331.75	$ 10,120.46	$ -
05/15/2023 Docket #N/A	01/01/2023 - 03/31/2023	1,558,099.50	11,502.16			-	804,782.80	5,688.22	$ 759,130.64
Total		**$ 3,513,431.25**	**$ 21,622.62**		**$ 1,955,331.75**	**$ 10,120.46**	**$ 2,760,114.55**	**$ 15,808.68**	**$ 759,130.64**

1 Pending Objection Deadline of May 30, 2023 at 4:00 p.m. (prevailing Eastern Time) for the *Sixth 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 March 1, 2023 through March 31, 2023* [Docket No. 809].

ALIXPARTNERS, LLP

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

Professional	Title	Rate[1]	Hours	Fees
Eric Koza	Partner & Managing Director	$1,400	0.5	$ 700.00
Deborah Rieger-Paganis	Partner & Managing Director	$1,220	123.5	150,670.00
James Horgan	Partner	$1,115	1.0	1,115.00
James Nelson	Director	$1,020	419.2	427,584.00
Thora B Thoroddsen	Director	$950	279.3	265,335.00
Elizabeth S Kardos	Director	$800	0.5	400.00
John M Katsigeorgis	Senior Vice President	$860	196.4	168,904.00
Laura Capen Verry	Senior Vice President	$540	6.2	3,348.00
Kaitlyn A Sundt	Senior Vice President	$585	0.4	234.00
Heather E Saydah	Senior Vice President	$550	1.0	550.00
Anthony Perrella	Vice President	$605	382.9	231,654.50
Nicholas LoBiondo	Vice President	$605	531.4	321,497.00
Lisa Marie Bonito	Vice President	$500	36.6	18,300.00
Total Hours and Fees for Professionals			**1,978.9**	**$ 1,590,291.50**
Less: 50% Travel Fees				(32,192.00)
Total Fees for Professionals				**$ 1,558,099.50**

Average Billing Rate **$ 787.36**

1 AlixPartners' standard hourly rates are reviewed semi-annually and certain professionals' rates were adjusted as of January 1, 2023. Adjustments included reasonable, routine, across-the-board rate increases to reflect promotions and general market increases comparable to market rates of comparable firms performing similar services.

ALIXPARTNERS, LLP

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

Code	Matter Category	Hours	Fees
1.1	Chapter 11 Process / Case Management	181.8	$ 161,814.00
1.3	Cash / Liquidity Matters	463.4	342,007.00
1.5	U.S. Trustee / Court Reporting Requirements	446.7	311,968.50
1.6	CFO Support	9.4	8,924.00
1.9	Plan & Disclosure Statement	230.7	187,539.00
1.10	Transaction Support	155.1	140,185.50
1.12	Testimony	11.1	13,542.00
1.13	Vendor Management	42.9	34,027.50
1.14	Executory Contracts	63.3	54,177.50
1.15	Claims Process / Avoidance Actions	112.7	97,515.00
1.16	Adversary Proceedings & Contested Matters	7.6	8,072.00
1.17	Preparation & Attend Court Hearing	58.4	62,051.00
1.20	Fee Applications & Fee Applications	61.6	36,688.00
1.21	Loan Transfer Activities	71.5	67,396.50
1.31	Travel Time	62.7	32,192.00
	Total Hours and Fees By Matter Category	**1,978.9**	**$ 1,558,099.50**

Average Billing Rate $ 787.36

ALIXPARTNERS, LLP

SUMMARY OF EXPENSES
DURING THE SECOND INTERIM PERIOD

Expense Category	Amount
Airfare	$ 3,647.39
Ground Transportation	2,260.74
Lodging	4,356.51
Meals	1,016.27
Phone & Internet	149.85
Postage & Carrier	71.40
Total Expenses	**$ 11,502.16**

UNITED STATES BANKRUPTCY COURT
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In re:	Chapter 11
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Debtors.	(Jointly Administered)
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SECOND 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 JANUARY 1, 2023 THROUGH MARCH 31, 2023

AlixPartners, LLP ("AlixPartners"), as financial advisor to the above-captioned debtors (the "Debtors"), hereby submits its second interim application (the "Application") for allowance of compensation for professional services rendered and reimbursement of out-of-pocket expenses incurred for the period from January 1, 2023 through March 31, 2023 (the "Second Interim Period"). AlixPartners respectfully states as follows:

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

[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.

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. AlixPartners' standard hourly rates are reviewed semi-annually and certain professionals' rates were adjusted as of January 1, 2023. Adjustments included reasonable, routine, across-the-board rate increases to reflect promotions and general market increases comparable to market rates of comparable firms performing similar services.

11. 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 Second Interim Period

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

$1,558,099.50[2] and out-of-pocket expenses incurred in the amount of $11,502.16 and are noted below:[3]

Date Filed; Docket No.	Period	Requested		Paid		Certificate of No Objection	Amount Outstanding
		Fees	Expenses	Fees	Expenses		
03/03/2023 Docket #601	01/1/2023 - 01/31/2023	$ 536,741.00	$ 1,143.16	$ 429,392.80	$ 1,143.16	03/24/2023 Docket #725	$ 107,348.20
03/29/2023 Docket #736	02/1/2023 - 02/28/2023	469,237.50	4,545.06	375,390.00	4,545.06	04/19/2023 Docket #772	93,847.50
05/08/2023 Docket #809	03/01/2023 - 03/31/2023	552,121.00	5,813.94	-	-		557,934.94
Total		**$1,558,099.50**	**$ 11,502.16**	**$ 804,782.80**	**$ 5,688.22**		**$ 759,130.64**

13. 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 Second Interim Period are attached to the Monthly Fee Applications.

14. AlixPartners received payments from the Debtors in the amount of $804,782.80 for services rendered and $5,688.22 for out-of-pocket expenses incurred during the Second Interim Period. The total amount of $759,130.64 remains outstanding as of the filing of this Application.

Summary of Services Rendered During the Second Interim Period

15. During the Second Interim Period, AlixPartners 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) coordination of legacy loan transition and asset sale process; (iv) preparation of Monthly Operating Reports and

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[2] This amount includes the 20% holdback of fees reflected in the Monthly Fee Applications, including $107,348.20 for the Fourth Monthly Fee Application, $93,847.50 for the Fifth Monthly Fee Application, $110,424.20 for the Sixth Monthly Fee Application, for a total holdback of $311,619.90 (the "Holdback").

[3] Pending Objection Deadline of May 30, 2023 at 4:00 p.m. (prevailing Eastern Time) for the Sixth 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 March 1, 2023 through March 31, 2023 [Docket No. 809].

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

Summary of Services by Category During the Second Interim Period

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

Matter Code 1.1: Chapter 11 Process/Case Management
181.8 hours - $161,814.00
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
463.4 hours - $342,007.00
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 1.5: U.S. Trustee/Court Reporting Requirements
446.7 hours - $311,968.50
This category includes: (i) preparing the monthly operating reports; (ii) holding working sessions with management and other advisors to remain aligned on the bankruptcy process workstreams and verify that resources are properly allocated to meet deadlines; (iii) reviewing bankruptcy court filings and coordinating analysis as needed; (iv) attending board meetings to present analysis and coordinate on bankruptcy case priorities; and (v) 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
9.4 hours - $8,924.00
This category includes reviewing monthly financial statements and preparing updates to the professional fees forecast.

Matter Code 1.9: Plan & Disclosure Statement
230.7 hours - $187,539.00
This category includes: (i) analyzing the value waterfall to various creditor classes under the plan of reorganization (the "Plan"); (ii) revising the cost-per-loan analysis; and (iii) providing edits to the amended Plan, disclosure statement and Plan supplement based on stakeholder comments.

Matter Code 1.10: Transaction Support
155.1 hours - $140,185.50
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 1.12: Testimony
11.1 hours - $13,542.00
This category includes assisting the Debtors with testimony.

Matter Code 1.13: Vendor Management
42.9 hours - $34,027.50
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 1.14: Executory Contracts
63.3 hours - $54,177.50
This category includes identifying executory contracts and calculating related cure amounts in order to file cure schedules with the Court, resolving cure disputes, and analyzing leases and other contracts with respect to assumption and rejection.

Matter Code 1.15: Claims Process/Avoidance Actions
112.7 hours - $97,515.00
This category includes reviewing, analyzing and reconciling filed claims, including administrative and priority claims, and assisting Debtors' counsel in negotiating with various claimants.

Matter Code 1.16: Adversary Proceedings & Contested Matters
7.6 hours - $8,072.00
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
58.4 hours - $62,051.00
This category includes preparing for and attending Court hearings in person, by video conference, or telephonically.

Matter Code 1.20: Fee Statements & Fee Applications
61.6 hours - $36,688.00
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 1.21: Loan Transfer Activities
71.5 hours - $67,396.50
This category includes: (i) holding working sessions with management and other advisors to coordinate on multiple loan transfer projects; and (ii) assisting with responses to due diligence requests from loan servicing partners.

Matter Code 1:31: Travel Time
62.7 hours - $32,192.00
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.

17. 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 Second Interim Period.

18. 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

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

No Prior Request

20. 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

21. 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 to AlixPartners in the amount of \$1,558,099.50 (including the Holdback in the amount of \$311,619.90) as compensation for professional services rendered and reimbursement of out-of-pocket expenses incurred in the amount of \$11,502.16 for the Second Interim Period; (ii) that the Debtors are authorized and directed to pay AlixPartners the remaining outstanding balance of \$759,130.64; and (iii) such other and further relief as this Court deems proper.

Dated: May 15, 2023

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

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