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*Attorneys for Michael F. Thomson, Chapter 11 Trustee*

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

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In re:  THE FALLS EVENT CENTER LLC,  Debtor.	Bankr. Case No. 18-25116  Chapter 11  The Honorable R. Kimball Mosier
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**APPLICATION OF MICHAEL F. THOMSON, CHAPTER 11 TRUSTEE,  
FOR ENTRY OF AN ORDER AUTHORIZING THE EMPLOYMENT  
OF THE CLARO GROUP, LLC AS FINANCIAL ADVISORS  
AND CONSULTANTS TO THE TRUSTEE**

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Michael F. Thomson, Chapter 11 trustee for the estate of The Falls Event Center, LLC (the “Trustee”), by and through counsel, files this Application (the “Application”) to Employ The Claro Group, LLC (“Claro”) as Financial Advisors and Consultants.

**Introduction**

1. The Trustee desires to employ Claro as a financial advisor and consultant in this case on an hourly fee basis. The employment of Claro is required at this time to provide limited services to the Trustee in evaluating whether the Debtor and some or all of its affiliates may be

reorganized or sold as a going concern (the “Services”). The Services will involve reviewing and analyzing work product that has already been produced by professionals employed in this case, advising on further information needed to complete the Services, providing objective and independent analyses to the Trustee, and providing any other work that the Trustee reasonably requests to complete the Services.

**Appropriateness of Retention**

2. The Trustee requests authority to employ Claro pursuant to 11 U.S.C. § 327. Employment of professionals is governed by 11 U.S.C. § 327 and Fed. R. Bankr. P. 2014. Specifically, 11 U.S.C. § 327(a) provides:

Except as otherwise provided in this section, the trustee, with the court’s approval, may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee’s duties under this title.

3. Claro does not hold an “interest adverse” to the estate as it does not possess any economic interest that would tend to lessen the value of the estate or create either an actual or potential dispute in which the estate is a rival claimant. *See, e.g., In re Red Lion, Inc.*, 166 B.R. 296, 298 (Bankr. S.D. Tex. 1994). Additionally, Claro and its professionals are disinterested persons as that term is defined in 11 U.S.C. § 101(14) in that Claro, its shareholders, of counsel, and associates:

- are not creditors, equity security holders, or insiders of the Debtor;
- are not and were not, within two years before the date of the filing of the petition, directors, officers, or employees of the Debtor; and
- do not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtor or for any other reason.

4. Claro has not been retained to assist any entity or person other than the Trustee in this bankruptcy case. If the Court approves Claro's proposed employment by the Trustee, Claro will not accept any engagement or perform any service in this bankruptcy case for any entity or person other than the Trustee.

5. Federal Rule of Bankruptcy Procedure 2014(a) provides:

The application [to employ a professional person] shall state the specific facts showing the necessity for the employment, the name of the person to be employed, the reasons for the selection, the professional services to be rendered any proposed arrangement for compensation, and, to the best of the applicant's knowledge, all of the person's connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee. The application shall be accompanied by a verified statement of the person to be employed setting forth the person's connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee

6. In satisfaction of these requirements, the Trustee has included with this Application the Affidavit of Douglas J. Brickley, which is attached hereto and incorporated herein.

7. Facts showing the necessity for the employment of financial advisors and consultants: As explained above, the Trustee requires the services of Claro in evaluating whether the Debtor and some or all of its affiliates may be reorganized or sold as a going concern.

8. The name of the person to be employed: The Trustee desires to employ Claro as his financial advisors and consultants in this case. Claro maintains an office at 711 Louisiana Street, Suite 2100, Houston, Texas 77002. Claro's main telephone number is (713) 454-7730. Claro's fax number is (713) 236-0033. Douglas J. Brickley will be designated to act as principal consultant-in-charge whom will be responsible for the representation of the Trustee.

9. Reasons for the selection of Claro as financial advisors and consultants: The Trustee believes that Claro and its members possess extensive knowledge and expertise in performing the Services and that Claro is well qualified to provide specialized advisory services

to the Trustee. The Trustee has actively sought out the best candidate to represent him in this case to perform the Services and, in light of Claro's past success, the Trustee believes Claro is the best choice. Claro has had a history of success in past bankruptcy engagements, and the Trustee believes that Claro will be successful in providing tangible, identifiable and material benefits to the Trustee and the Estate in this case. Claro and Claro professionals have worked on engagements advising debtors, Chapter 11 Trustees, Chapter 7 Trustees, secured lenders and unsecured creditor committees, and Claro has undertaken the specific tasks assigned to them in this case on numerous past representations. Douglas J. Brickley, a Managing Director who is the Trustee's primary contact for this case has over 25 years of accounting, bankruptcy, financial consulting, expert witness and business experience and is well qualified to act as a financial advisors and consultants to the Trustee in this case.

10. The professional services to be rendered: Claro will render professional services to the Trustee in evaluating whether the Debtor and some or all of its affiliates may be reorganized or sold as a going concern (the "Services"). The Services will include:

- a. Reviewing and analyzing work product that has already been produced by professionals employed in this case;
- b. Advising on further information needed to complete the Services;
- c. Providing objective and independent analyses to the Trustee; and
- d. Providing any other work that the Trustee reasonably requests to complete the Services.

Because of the consultatnt and advisory services that will be necessary in this case, and the fact that the full nature and extent of such services are not known at this time, the Trustee believes that the employment of Claro for all purposes set forth above is appropriate and in the best interest of the estate. The Trustee reserves the right to seek amendments to the order approving this Application as may be necessary appropriate to expand the services to be rendered by Claro.

11. Proposed Arrangement for Compensation: Subject to Bankruptcy Court approval, the Trustee desires to compensate Claro on an hourly fee basis in accordance with its customary billing practices, subject to the limitation set forth below. Claro has not received any funds from the Debtor, the Trustee or any other party in this case. In the attached affidavit, Claro has identified the amount and source of compensation to be paid to Claro for services rendered in connection with the financial advisory and consulting services to the Trustee in this case. Claro's current hourly rates are as follows:

<u>Category of Service Provider</u>	<u>Low/High</u>
Managing Directors	\$450/570
Directors/Senior Advisors	\$350/450
Managers/Senior Managers	\$250/350
Analysts/Senior Consultants	\$150/295
Administrative Staff	\$90/125

Douglas J. Brickley's standard hourly rate is \$495 per hour. Additionally, due to the unique circumstances of this Case, Claro has agreed to accept a voluntary reduction in the fees charged to the estate. Specifically, Claro's blended average hourly rate paid by the estate will be limited to \$300. In addition to the hourly professional fees, Claro will be paid all reasonable out-of-pocket disbursements, costs and expenses incurred on behalf of the estate during this Engagement. No expenses greater than \$5,000 shall be compensable without prior written approval of the Trustee. Claro will submit fee applications in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the rules of this Court.

12. Claro's hourly rates are set at a level designed to compensate Claro fairly for the work of its professionals and administrative staff and to cover fixed and routine overhead expenses. Hourly rates vary with the experience and seniority of the individuals assigned. These hourly rates are subject to periodic adjustments to reflect economic and other conditions (which adjustments

will be reflected in the first Claro fee application following such adjustments) and are consistent with the rates charged elsewhere. Claro may increase its rates yearly after written notice is given to the Trustee.

13. Connections to this case: Claro has not represented the Debtor prior to or during this bankruptcy case. Except as set forth above and in the attached affidavit, Claro has no other connection with the debtor, its creditors, any other parties in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee and are “disinterested persons” within the definition of Section 101(14) of the Bankruptcy Code on this matter for which it is to be engaged as financial advisors and consultants. *See Attached Affidavit.*

Accordingly, the Trustee requests that the Court approve the retention of Claro as financial advisors and consultants as set forth above and for such other relief as is just.

**Dated: December 19, 2018**

Respectfully submitted,

By: /s/ Jessica G. McKinlay  
Michael F. Thomson  
Peggy Hunt  
Nathan S. Seim  
Jessica G. McKinlay  
DORSEY & WHITNEY LLP  
Attorneys for Chapter 11 Trustee

**CERTIFICATE OF SERVICE**

I hereby certify that on the 19th day of December, 2018, I caused to be served a true and correct copy of the foregoing **APPLICATION OF MICHAEL F. THOMSON, CHAPTER 11 TRUSTEE, FOR ENTRY OF AN ORDER AUTHORIZING THE EMPLOYMENT OF THE CLARO GROUP, LLC AS FINANCIAL ADVISORS AND CONSULTANTS TO THE TRUSTEE** with the United States Bankruptcy Court for the District of Utah by using the CM/ECF system. I further certify that the parties of record in this case, as identified below, are registered CM/ECF users and will be served through the CM/ECF system.

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- Brent D. Wride bwride@rqn.com, docket@rqn.com;pbrown@rqn.com

**CERTIFICATE OF SERVICE – MAIL, OTHER**

I hereby certify that on this 19<sup>th</sup> day of December, 2018 I caused to be served a true and correct copy of the foregoing **APPLICATION OF MICHAEL F. THOMSON, CHAPTER 11 TRUSTEE, FOR ENTRY OF AN ORDER AUTHORIZING THE EMPLOYMENT OF THE CLARO GROUP, LLC AS FINANCIAL ADVISORS AND CONSULTANTS TO THE TRUSTEE** as follows:

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/s/ Michelle Montoya