

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF KENTUCKY
LEXINGTON DIVISION**

In re	:	Case No. 25-50863
Lexington Blue, Inc.	:	Chapter 11
Debtor	:	Small business case
	:	
	:	Hon. Gregory R. Schaaf
	:	United States Bankruptcy Judge

DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR

1. Pursuant to 11 U.S.C. § 329(a) and Fed. Bankr. P. 2016(b), I certify that I and Dennery, PLLC are the proposed attorneys for the above-named debtors and that compensation paid to Dennery PLLC within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the Debtor in contemplation of or in connection with the bankruptcy case is as follows:

(a) Pursuant to the parties' agreement, Debtor has agreed to pay for services at the following hourly rates.

(i) The first 25 hours devoted to the representation shall be charged at the lesser of: (a) \$5,000.00; or
(b) the charges for the first 25 hours devoted to the representation at the Regular Rates defined below.

(ii) After the first 25 hours, services shall be performed at the firm's customary rates as set forth below

- \$300.00/Hr. - for each hour devoted to performing legal services, including without limitation: consulting or communicating with the client; researching, drafting and/or preparing pleadings, motions, or other documents, opinions, or correspondence; negotiating with creditors or adversaries; or preparing for and/or attending hearings.
- \$225.00/Hr. - for each hour devoted to delivering financial reports, bookkeeping services, or business planning services required to develop cash collateral budgets, projections to support a plan of reorganization, applications for post-petition financing, or any proposed merger, acquisitions, assignment or sales transactions.
- \$100.00/Hr. - for each hour of paralegal, administrative and legal support services including preliminary legal research, case management and administration, and clerical tasks whether performed by an attorney or a non-attorney.

(b) Prior to the filing of the petition, Debtor paid attorney:

- (i) \$5,000.00 on May 3, 2025,
- (ii) \$10,000 on May 22, 2025; and
- (iii) \$7,500.00 on June 16, 2025.

(c) Dennery, PLLC devoted 99.5 hours of work to the case prior to the filing of the petition, which has been invoiced in the amount of \$18,407.50 resulting in a blended rate of \$185.00.

(d) Dennery, PLLC incurred \$655.15 in electronic charges, and paid the filing fee of \$1,738.00 on Debtor's behalf. A balance of \$1,699.35 is held in Attorney's IOLTA Account.

2. Dennery, PLLC and Debtor have agreed that any additional retainers shall be made in periodic installments, and that any compensation for services rendered shall only be made subject to the terms of court orders allowing such compensation.
3. Bradley Pagel was the source of \$5,000.00 of the compensation paid to Dennery, PLLC on May 3, 2025.
4. Courtney Pagel was the source of \$17,500.00 of the compensation paid to Dennery, PLLC.
5. Dennery, PLLC has not agreed to share any compensation paid to it with any other person aside from members or regular associates of the firm.
6. In return for the compensation set forth hereunder, Dennery, PLLC agreed to render all legal and paralegal services required of the cases including without limitation, (i) meet with client to review available documentation and information and to provide client with a list of documents that will be needed to complete the filing; (ii) gather documents from Debtor and publicly available sources; (iii) performing preliminary financial analysis of assets and liabilities; (iv) conduct a legal analysis of the issues presented with the cases; (v) advise Debtor of his options in chapter 11; and (vi) draft, review with the Debtor the petitions, statements, corporate resolutions, applications, affidavits, creditor lists, legal memoranda, and first day motions, and commence the case; (vi) transmit all required documents to the UST; (vii) file any required documents, lists, statements, applications, and first day motions; (viii) appear on behalf of the debtor at the initial debtor interview and the meeting of creditors; (iv) respond to objections; (v) draft disclosure statement and chapter 11 plan or reorganization; (vi) appear for and attend any hearings; and (vii) render all legal services required to obtain confirmation of the chapter 11 plan.
7. By agreement with the debtors, the above-disclosed fee does not include administrative expenses for professionals or court costs. The scope of services to be delivered under the parties' agreement specifically excludes any services required to defend against proceedings brought: (a) to dismiss or to convert the case to one under chapter 7 "for cause" pursuant to 11 U.S.C. § 1112(b)(4) due to the absence of adequate insurance coverage; or (b) to appoint a trustee under 11 U.S.C. § 1104(a) on the grounds of fraud, dishonesty, or gross mismanagement. Any work performed on services that are excluded from the parties' agreement shall be performed under a separate agreement to be disclosed to the Court, and any compensation for such services shall be subject to appropriate court orders.

ATTORNEY CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the Debtor in this bankruptcy proceeding.

Date: Monday, June 30, 2025

/s/ J. Christian A. Dennery

J. Christian A. Dennery (KBA No. 95878)

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Proposed Attorney for Debtor and Debtor in Possession