

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

In re Lexington Blue, Inc
Debtor

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Case No. 25-50863
Chapter 11
Small business case

Hon. Gregory R. Schaaf
United States Bankruptcy Judge

**DEBTOR IN POSSESSION'S APPLICATION FOR THE ENTRY OF A FINAL ORDER
AUTHORIZING EMPLOYMENT OF DENNERY, PLLC
AS COUNSEL FOR DEBTORS IN POSSESSION**

Lexington Blue, Inc. (the "Applicant" or "Debtor"), by and through proposed counsel, hereby requests, pursuant to 11 U.S.C. 105(d)(1), 11 U.S.C. §§ 327(a) and 328(a), Fed. R. Bankr. P 2014, and KYEB LBR 2014-1, the entry of an interim and final order authorizing the employment of J. Christian Dennery and Dennery, PLLC (collectively, the "Firm") as its counsel. In support of this Application, Debtor submits the Declaration of J. Christian Dennery, attorney with the Firm (the "Declaration") attached hereto as Exhibit A. In further support of this Application, the Debtor states as follows:

JURISDICTION AND VENUE

1. On June 16, 2025 (the "Petition Date"), Debtor filed a voluntary petition for relief with this Court under Chapter 11 of the United States Bankruptcy Code (the "Code").
2. This Court has jurisdiction over this Chapter 11 case under 28 U.S.C. §§ 157 and 1334. This matter constitutes a core proceeding under 28 U.S.C. § 157(b)(2)(A). The Debtor is a Kentucky limited liability company which maintains its principal office in Fayette County, Kentucky. Accordingly, venue for the Debtor's Chapter 11 case is proper in this District under 28 U.S.C. § 1408 and 1409.

BACKGROUND AND RELIEF REQUESTED

3. Applicant is the Debtor in the captioned case.
4. Applicant is a limited liability company and therefore requires a licensed attorney to represent itself in any legal proceedings.
5. Applicant wishes to employ the Firm to represent Applicant in the instant chapter 11 case.
6. J. Christian Dennery is a member of Dennery, PLLC, is admitted to practice law in the State of Kentucky and in good with the Kentucky Bar Association. Mr. Dennery is also admitted to

practice law before this Court. Attached hereto as Exhibit A is proposed counsel's Declaration in support of this Application.

7. Applicant has selected the Firm because of its experience with commercial bankruptcies, including chapter 11 reorganizations, and the Firm is well-qualified to represent the estate.
8. The professional services to be rendered by the Firm shall include, but are not limited to: (a) advising Debtor about their rights, powers and duties as a debtor in possession; (b) advising and assisting Debtor with the preparation of the petition, schedules, and statements of financial affairs; (c) analyzing the claims of the creditors, and negotiate with such creditors; (d) investigating the acts, conduct, assets, rights, liabilities and financial condition of the debtor and the debtor's business; (e) advising and negotiating the sale of any or all assets of the Debtor; (f) investigating, filing and prosecuting any claims on behalf of the estate; (g) drafting and proposing a plan of reorganization; (h) appearing for the Debtor and Debtor in Possession at any hearings, conferences, and other proceedings; (i) preparing and/or reviewing motions, applications, proposed orders, and other documents filed with the Court; (j) initiating any appropriate proceedings to avoid prepetition transfers and/or recover assets for the benefit of the estate; and (k) delivering any and all other legal services as may be required that are in the best interest of the estate or the creditors.
9. Mr. Dennerly and the Firm do not hold or represent any interest adverse to the estate as required by 11 U.S.C. § 327(a).
10. Mr. Dennerly and the Firm are disinterested persons as required by 11 U.S.C. § 327 as defined in 11 U.S.C. § 101(14).
11. The Firm propose to perform legal services in connection with its employment on an hourly basis. Including the hours charged under Statement of Work No. 1, 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. Dennerly, PLLC's current hourly rates are as follows:
 - (a) \$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.
 - (b) \$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.
 - (c) \$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.
12. These hourly rates are subject to periodic adjustments. Notice of any such adjustments shall be filed with the Court within 30 days of the effective date of the adjustment.

13. The persons who shall be performing the services related to this representation are as follows

Legal services: J. Christian A. Dennery, Esq.
Dolores L. Dennery, Esq.
Dalton Stanley, Esq.

Paralegal services: J. Christian A. Dennery, Esq.
Dolores L. Dennery, Esq.
Dalton Stanley, Esq.; and
Legal clerks or administrative staff that may work on the case from time to time

14. Debtor has paid the firm \$22,500 as a retainer in the one-year period prior to the filing of the Debtor's petition through the date of this Application.
15. Prepetition fees administrative expenses were incurred on behalf of the Debtor or paid from the retainer in the total amount of \$655.15.
16. Bradley Pagel was the source of \$5,000.00 of the compensation paid to Dennery, PLLC on May 3, 2025. Courtney Pagel was the source of \$17,500.00 of the compensation paid to Dennery, PLLC.
17. \$1,738.00 of the retainer was applied to the filing fee.
18. A balance of \$1,699.35 is held in Attorney's IOLTA Account.
19. The Firm will submit interim and final applications for compensation and reimbursement of administration of expenses in accordance with the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules, and such other and further orders as the Court may enter.
20. To the best of Applicant's knowledge, J. Christian Dennery and the Firm have no connections with the Debtor(s), 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.
21. The proposed employment of the Firm is not prohibited by or improper under FED. R. BANK. P. 5002.

WHEREFORE, Applicant moves for an Order of this Court authorizing the retention and employment, as of the date of this Application, of Dennery, PLLC as attorney(s) for the estate, to be compensated as set forth above.

/s/Brad Pagel

Brad Pagel

Corporate Representative

Dated: Monday, June 30, 2025

NOTICE OF HEARING AND OPPORTUNITY TO OBJECT

TAKE NOTICE Debtor has requested that the Court issue a final order granting its request to employ Dennery, PLLC. Your rights may be affected by the relief requested in this application. If you object to the relief requested, you must file a written objection and file it with the court within 14 days from the date of this motion and set the matter for a hearing. Written objections may be sent to United States Bankruptcy Court, Eastern District of Kentucky, 100 East Vine Street Suite 200, Lexington, Kentucky 40507. If you do not object to the motion, the Court may grant the relief requested without any further notice, hearing, or opportunity to be heard.

Respectfully submitted,

/s/ J. Christian A. Dennery

J. Christian Dennery, Esq

Dennery, PLLC

PO Box 121241

Covington, Kentucky 41012

Tel: (888) 833-2826

Fax: (859) 286-6726

EM: info@bk-lexingtonblue.com

Attorney for Debtor and Debtor in Possession

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

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DECLARATION OF PROPOSED COUNSEL

1. I am the Attorney named in the Application for Employment and Retention of J. Christian Dennery and Dennery, PLLC as Bankruptcy Counsel to the Debtor, and I am one of two members of Dennery, PLLC, and I am duly authorized to make this Declaration on behalf of myself and Dennery, PLLC. I have personal knowledge of the matters set forth herein.

2. My mailing address, telephone number, email address and state bar number are as follows:

J. Christian A. Dennery (KBA No. 95878)
Dennery, PLLC
PO Box 121241
Covington, KY 41042
Tel. 888-833-2826
Fax 859-286-6726
EM: info@bk-lexingtonblue.com
Attorney for Debtor and Debtor in Possession

3. I am an Attorney licensed and in good standing to practice in the Commonwealth of Kentucky am duly admitted to practice in the United States District Court for the Eastern District of Kentucky and before this Court.

4. The representations set forth in the Application for Employment of J. Christian Dennery and Dennery, PLLC as Bankruptcy Counsel for the Debtor are true and correct.

5. Neither I nor Dennery, PLLC, nor any member of Dennery, PLLC, have any past or present relationship to Debtor, The Subchapter V Trustee, any creditor or equity security holder of the Debtor. Further, neither I nor Dennery, PLLC have any connection with the Debtors' creditors, or 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. Neither I nor Dennery, PLLC hold or represent an interest adverse to the estate.

6. Dennergy, PLLC and I are disinterested persons as required by 11 U.S.C. § 327 and as defined in 11 U.S.C. § 101(14).
7. My proposed employment and the employment of Dennergy, PLLC are not prohibited by or improper under Fed. R. Bankr. P. 5002.
8. Other than the retainers received from Debtor set forth in Debtor's application to employ counsel filed contemporaneously herewith, I have not received any other compensation within one year prior to or after the filing of the Debtor's petition.

I declare under penalty of perjury that the foregoing is true and correct.

/s/ J. Christian A. Dennergy

J. Christian Dennergy

Dated: Wednesday, June 24, 2025

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United States Bankruptcy Judge

**ORDER AUTHORIZING THE EMPLOYMENT OF DENNERY, PLLC AS
COUNSEL FOR DEBTOR IN POSSESSION**

Debtor in possession having filed an application for the entry of an order authorizing the employment of J. Christian A. Dennery, and Dennery, PLLC as legal counsel, and Debtor having shown by its application and the Certification of Counsel filed contemporaneously therewith that the granting of its application is authorized by and consistent with §§ 105 and 327(a); and it being necessary for the Debtor to proceed with its case; **IT IS ORDERED:**

1. Debtor's motion is GRANTED.
2. Pursuant to 11 U.S.C. §§ 327(a) and 328(a), Debtor is authorized to retain Dennery, PLLC and J. Christian Dennery as counsel for Debtor and for Debtor in possession on the terms set forth in the Application, to render necessary legal services and represent the Debtor from the Petition Date through the pendency of this Chapter 11 case.
3. Counsel shall submit applications for the payment of any fees or reimbursements of expenses as provided in Local Bankruptcy Rule 2016-1 and any related orders.
4. Dennery, PLLC is authorized to hold the balance of its retainer \$1,699.35 and other fees which may be deposited pursuant to court orders or agreement with the Debtor in its escrow account pending proper application to the Court for approval of fees and expenses as may be incurred in this case.
5. Debtor in possession shall, within seven (7) days of the entry of this order, serve by the Court's ECF system, or by first-class mail, a copy of the Order on all parties in interests,

the 20 largest creditors described in FRBP 1007(d), all secured creditors, and the U.S. Trustee.

6. This is a final Order.

SO ORDERED,