UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In Re:	§	**Chapter 11**
	§	
EXIDE TECHNOLOGIES, et al.,	§	**Jointly Administered**
	§	**Case No. 02-11125 (KJC)**
Debtors.	§	
	§	

FEE AUDITOR'S FINAL REPORT REGARDING
FEE APPLICATION OF
PACHULSKI, STANG, ZIEHL, YOUNG, JONES & WEINTRAUB P.C.
FOR THE SECOND INTERIM PERIOD

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceeding, regarding the Fee Application of Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C. for the Second Interim Period (the "Application").

BACKGROUND

1. Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C. ("Pachulski") was retained as co-counsel to the Debtors and Debtors in Possession. In its Application, Pachulski seeks approval of fees totaling $109,900.00[1] and expenses totaling $46,508.17 for the period from April 1, 2003, through June 30, 2003.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications

[1]Pachulski's Application states that it seeks approval of fees totaling $109,900.00; however, the monthly invoices, supported by fee detail, only add up to $108,900.00 in fees.

for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30, 1996 (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served on Pachulski an initial report based on our review, and received a response from Pachulski, portions of which response are quoted herein.

DISCUSSION

General Issues

3. Local Rule 2016-2(d) directs fee applicants to "include activity descriptions which shall be sufficiently detailed to allow the Court to determine whether all the time, or any portion thereof, is actual, reasonable, and necessary". Paragraph II.D.5. of the Guidelines, moreover, provides that "[t]ime entries for telephone calls, letters, and other communications should give sufficient detail to identify the parties to and the nature of the communication." In our initial report, we noted that timekeeper KMD did not always provide the requisite detail. We asked Pachulski to advise this timekeeper to provide greater detail in her future time entries and Pachulski stated it would do so.

Specific Time and Expense Entries

4. In our initial report, we noted that in two instances, JEO ($395) and KMD ($245) participated in the same hearing. The total time spent was 5.50 hours for a cost of $1,947.50. The time entries are provided below:

April 22, 2003 hearing

04/22/03	JEO	3.00	1,185.00	Attend omnibus hearing (bank's motion to dismiss).
04/22/03	KMD	0.70	171.50	Attend hearing

May 6, 2003 hearing

05/06/03	KMD	0.80	196.00	Participate in phone hearing regarding protective order.
05/06/03	JEO	1.00	395.00	participate in telephonic with Judge Carey on Equity Committee issues.

Paragraph II.D.5. of the Guidelines provides that "[i]f more than one professional from the applicant firm attends a hearing or conference, the applicant should explain the need for multiple attendees." Moreover, Rule 2016-2(d)(ix) states "[t]he activity descriptions shall individually identify all meetings and hearings, each participant, the subject(s) of the meeting or hearing, and the participant's role." In the instance cited above, the detail provided does not clarify each participants role. We asked Pachulski to explain each participant's role in the hearing listed as well as the necessity for multiple attendees. Pachulski's response is provided as Response Exhibit 1. We believe we understand Pachulski's response and have no objection to these fees.

5. We noted that SLP ($65), ARP ($55), AXC ($40) and RMO ($70) spent 47.40 hours for a cost of $2,523.50 performing tasks described as maintaining document control that, without further information, may be considered noncompensable overhead. See Exhibit A. Local Rule 2016-2(d) requires that fee applications shall "include activity descriptions which shall be sufficiently detailed to allow the Court to determine whether all the time, or any portion thereof, is actual, reasonable, and necessary". In addition, paragraph II.E.7. of the U.S. Trustee Guidelines provides that "[o]verhead includes word processing, proofreading, secretarial and other clerical services, . . ." We asked Pachulski to review Exhibit A and explain why these activities should be considered compensable. Pachulski's response is provided as Response Exhibit 2. We appreciate Pachulski's response and have no objection to these fees.

6. We noted that on June 24, 2003, JEO ($395) billed three time entries for preparing and attending what appears to be the same omnibus hearing. The total time spent was 8.50 hours

for $3,357.50 in fees. The time entries are provided below:

06/24/03	JEO	5.00	395.00	1,975.00	Prepare for and attend Omnibus hearing
06/24/03	JEO	1.50	395.00	592.50	Prepare for omnibus hearing
06/24/03	JEO	2.00	395.00	790.00	Attend omnibus hearing

We asked Pachulski to explain whether a duplication occurred or explain whether these entries related to discrete instances of a repeated activity. Pachulski responded as follows: "These appear to be duplicate entries. Fees should be reduced by $1,282.50." We appreciate Pachulski's response and thus recommend a reduction for the duplicate time, for a reduction of $1,282.50 in fees.

7. In our initial report, we noted that on June 11, 2003, KMD ($245) included a time entry where the total time billed does not match the sum of the subparts in the entry. The total time billed is .80 hour for $196.00 in fees, while the sum of the subparts is .40 hour and $98.00 in fees. The difference is $98.00. The time entry is provided below:

06/11/03	KMD	0.80	245.00	196.00	Review and respond to emails from M. Kleiman regarding Enersys objection (.2); Conference with James O'Neill regarding same (.2).

We asked Pachulski to explain this discrepancy. Pachulski responded that it agreed with the $98.00 reduction. We appreciate Pachulski's response and thus recommend a reduction of $98.00 in fees.

8. We noted that Pachulski seeks reimbursement for some business meals for which we are unable to assess their reasonableness without further information. The expense entries are provided below:

05/14/2003	BM	Business Meal - - Cavanaugh's (LDJ) [E111]	37.00
05/14/2003	BM	Business Meal - - Cavanaugh's (LDJ) [E111]	100.00
05/14/2003	BM	Business Meal - - Healy's (LDJ) [E111]	64.50
05/15/2003	BM	Business Meal - - Cavanaugh's (LDJ) [E111]	120.00
05/15/2003	BM	Business Meal - - Healy's (LDJ) [E111]	53.25

With regard to expenses, paragraph II.E.3. of the Guidelines states: "[f]actors relevant to a

determination that the expense is proper include the following: . . .3. [w]hether applicant has provided a detailed itemization of all expenses including the date incurred, description of expense (e.g., type of travel, type of fare, rate, destination), method of computation, and where relevant, name of the person incurring the expense and purpose of the expense. . ." In addition, paragraph II.E.1. of the Guidelines states ". . .[f]actors relevant to a determination that the expense is proper include the following: 1. Whether the expense is reasonable and economical. For example, first class and other luxurious travel mode or accommodations will normally be objectionable." We asked Pachulski to provide additional information regarding these meal expenses. Pachulski responded as follows:

> The expenses for business meals on May 14 and 15, 2003 resulted from meals provided in conference rooms to out of town counsel working on PSZYJ&W's offices while preparing for the May 15, 2003 hearing on the Debtors' motion to enjoin the shareholder's meeting. PSZYJ&W requests these expenses be approved. On May 14, 2003, breakfast, lunch and dinner were provided. On May 15, 2003 breakfast and lunch were provided. Five people dined at each meal.

We appreciate Pachulski's response and have no objection to these expenses.

CONCLUSION

9. Thus we recommend approval of fees totaling $107,519.50 ($109,900.00 minus $2,380.50[2]) and expenses totaling $46,508.17, for Pachulski's services from April 1, 2003, through June 30, 2003.

[2]This total includes the reductions mentioned in this report as well as the $1,000.00 difference between the total of the monthly invoices, supported by fee detail, and the interim application.

Respectfully submitted,

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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 14th day of November 2003

_____
Warren H. Smith

SERVICE LIST

Notice Parties

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Exhibit A

04/09/03	SLP	3.30	65.00	214.50	Maintain document control.
04/10/03	ARP	4.00	55.00	220.00	Maintain document control.
04/10/03	SLP	2.30	65.00	149.50	Maintain document control.
04/28/03	SLP	2.70	65.00	175.50	Maintain document control.
05/09/03	AXC	2.50	40.00	100.00	Maintain document control.
05/12/03	SLP	1.30	65.00	84.50	Maintain document control.
05/13/03	AXC	7.50	40.00	300.00	Maintain document control.
05/17/03	AXC	9.00	40.00	360.00	Maintain document control.
05/19/03	AXC	2.50	40.00	100.00	Maintain document control.
05/22/03	SLP	3.30	65.00	214.50	Maintain document control.
05/27/03	RMO	1.00	70.00	70.00	Maintain document control.
05/28/03	RMO	2.00	70.00	140.00	Maintain document control.
05/29/03	RMO	1.00	70.00	70.00	Maintain document control.
06/17/03	SLP	5.00	65.00	325.00	Maintain document control.

Response Exhibit 1

The Fee Auditor questioned the need for multiple professional attendees from PSZYJ&W in connection with the April 22, 2003 omnibus hearing. Kathleen Marshall DePhillips (KMD) attended this hearing for 0.70 hours and James E. O'Neill (JEO) attended for 3.00 hours. Ms. DePhillips attended only the beginning of the hearing because Mr. O'Neill was delayed while dealing with another case. Ms. DePhillips left the hearing shortly after Mr. O'Neill's arrival.

In addition the Fee Auditor questioned the participation of Ms. DePhillips and Mr. O'Neill in the May 6, 2003 telephonic hearing regarding the Debtors' motion for protective order concerning confidential material requested in connection with the SWIB litigation. Counsel for the Debtors realized prior to this telephonic hearing that a transcript would not be immediately available and therefore, it would be necessary to carefully note the Court's rulings in regards to whether multiple categories of documents would be considered confidential for purposes of the protective order. Mr. O'Neill and Ms. DePhillips decided that it would be prudent for both of them to participate in the telephonic hearing.

Accordingly, we request that the fees for both timekeepers in connection with the above mentioned hearings be allowed.

Response Exhibit 2

The Fee Auditor has questioned time entries for maintaining docket control. PSZYJ&W maintains an internal docket of all pleadings filed in these cases in an effort to ensure that should any party, client or the Court need access to any document at any time, PSZYJ&W can provide the document requested. This is particularly important in light of the fact that the Bankruptcy Court Clerk's office no longer maintains any paper files and all files are available only through the electronic docket, which is not at all times accessible. Creditors, co-counsel, and other parties in the case often request that PSZYJ&W provide copies of documents and pleadings, which requests are handled as part of this function. In addition, PSZYJ&W, as Debtors' Delaware counsel, is responsible for preparing the hearing agenda and binders for the Court. The time billed for Maintaining Document Control reflects the time spent to prepare hearing binders, respond to inquiries and maintain the internal docket and related files for the case. Accordingly, PSZYJ&W believes all time billed is appropriate.