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September 6, 2002

The Honorable Judith K. Fitzgerald
United States Bankruptcy Judge
United States Bankruptcy Court
824 Market Street, Fifth Floor
Wilmington, DE 19801

Re: September 23 Hearing Date for Quarterly Fee Applications covering the Interim Fee Periods prior to January 1, 2002 in In re W.R. Grace & Co., et al., Case No. 01-1139(JFK)

Dear Judge Fitzgerald:

This letter is to explain why I, as fee auditor in the above-referenced bankruptcy proceedings, do not believe that the September 23 hearing date is realistic as a hearing date for the Quarterly Fee Applications covering the Interim Fee Periods prior to January 1, 2002.

Under the Amended Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Revised Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members, dated April 17, 2002 (the "Amended Administrative Order"), professionals were to serve on me within 15 business days of the entry of the Amended Administrative Order all Quarterly Fee Applications filed prior to the entry of the Amended Administrative Order, along with all relevant fee detail in both hardcopy and electronic format. I then had 120 days after the receipt of such Quarterly Fee Applications to review them.

We served our initial reports regarding these Quarterly Fee Applications on September 3, 2002, well within the 120 day deadline, which we had calculated as September 27, 2002. Under the standard practice as set forth in the Order Appointing Fee Auditor in Accordance with the Court's Direction, dated March 18, 2002, the final reports are to be filed 45 days after the filing of the initial reports, which would make them due October 18, 2002.

I understand that the Amended Administrative Order contains a hearing date of September 23, 2002 for the Quarterly Fee Applications covering the Interim Fee Periods prior to January 1,

2002. However, this order was drafted, and this date inserted, several months before it was entered, and this date was never changed before it was entered.

I apologize for any inconvenience that this may have caused, but I believe that this hearing must be re-scheduled for the November omnibus hearing date.

Sincerely,

Warren H. Smith

WHS:cm