

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re:)	Chapter 11
)	
SEA CONTAINERS LTD. <u>et al.</u>,)	Case No. 06-11156 (KJC)
)	
Debtors.)	Jointly Administered

**FEE AUDITOR'S FINAL REPORT REGARDING
INTERIM FEE APPLICATION OF
MORRIS, NICHOLS, ARSHT & TUNNELL LLP
FOR THE SIXTH 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 proceedings, regarding the Fee Application of Morris, Nichols, Arsht & Tunnell LLP for the Sixth Interim Period (the "Application").

BACKGROUND

1. Morris, Nichols, Arsht & Tunnell LLP ("MNAT") was retained as counsel to the Official Committee of Unsecured Creditors. In the Application, MNAT seeks approval of fees totaling \$109,518.50 and costs totaling \$5,068.00 for its services from January 1, 2008 through March 31, 2008 (the "Application Period").

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 and expense entries included in the exhibits to the Application, for compliance with Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2008, and the United States Trustee Guidelines for Reviewing Applications 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 MNAT an initial report based on our review, and received a response from MNAT, portions of which response are quoted herein.

DISCUSSION

3. We noted that professionals Tate and Urban (each at the rate of \$120 per hour) spent 4.20 hours and \$504.00 performing similar, if not the same, tasks on the same day. The time entries are as follows:

1761845	560	Tate	01/14/08	B110	0.30	Review docket and update case matters
1761731	655	Urban	01/14/08	B110	0.40	Review and update case matters
1776745	560	Tate	02/08/08	B110	0.40	Docket research re: disposition of case matters
1775902	655	Urban	02/08/08	B110	0.40	Review docket regarding disposition of case pleadings
1780561	560	Tate	02/19/08	B110	0.50	Review regarding disposition of case pleadings
1781165	655	Urban	02/19/08	B110	0.50	Review docket regarding disposition of case pleadings
1789717	560	Tate	03/05/08	B110	0.40	Review docket regarding disposition of case pleadings
1791543	655	Urban	03/05/08	B110	0.40	Review docket regarding disposition of case pleadings
1795038	560	Tate	03/12/08	B110	0.50	Review docket regarding disposition of case pleadings
1794238	655	Urban	03/12/08	B110	0.40	Review docket regarding disposition of case pleadings

We asked MNAT to further explain these time entries and it responded as follows:

In this paragraph you note that professionals Tate, Bryant and Urban spent 4.20 hours and \$504.00 performing similar, if not the same, tasks on the same day.

MNAT agrees to reduce this amount by \$252.00, which is half of the total request.

We appreciate MNAT's response and thus, recommend a reduction in the amount of \$252.00 in fees.

4. We noted two hotel charges which are insufficient in detail and may be viewed as excessive:

629807	01/16/08	682.62	Hotel Accommodations - WILLIAM H. SUDELL JR REIMBURSEMENT OF HOTEL CHARGES FROM TRIP TO YORK - 01/16/08
629982	01/17/08	684.62	Hotel Accommodations - DEREK C. ABBOTT REIMBURSEMENT OF HOTEL CHARGES FROM TRIP TO FOR CLIENT MEETINGS - 01/16 - 01/17/08

We asked MNAT to provide further explanation regarding these hotel charges and it responded as follows:

The first entry, 629807, was for hotel accommodations at The Waldorf Astoria in New York for one night for William H. Sudell in connection with his attendance at the meeting of the creditors' committee and bondholders. The room charge was \$599.00 plus tax. The second entry, 629982, was for hotel accommodations at The Waldorf Astoria In New York for one night for Derek C. Abbott in connection with his attendance at the meeting of the creditors' committee and bondholders. The room charge was \$599.00 plus tax.


We appreciate MNAT's response. Further, we note that The Waldorf Astoria hotel in New York is rated four stars on Expedia's website (pursuant to our July 22, 2008 letter to the Court regarding revised hotel rates). Thus, we have no objection to these expenses.

CONCLUSION

5. Thus we recommend approval of fees totaling \$109,266.50 (\$109,518.50 minus \$252.00) and expenses in the amount of \$5,068.00 for MNAT's services from January 1, 2008 through March 31, 2008.

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 via First-Class United States mail to the attached service list on this 11th day of August, 2008.


Warren H. Smith

SERVICE LIST

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