

**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
YOUNG CONAWAY STARGATT & TAYLOR, 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 Young Conaway Stargatt & Taylor, LLP for the Sixth Interim Period (the “Application”).

BACKGROUND

1. Young Conaway Stargatt & Taylor, LLP, (“Young Conaway”) was retained as counsel to the debtors and debtors in possession. In the Application, Young Conaway seeks approval of fees totaling \$158,531.00 and costs totaling \$25,688.27 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 Young Conaway an initial report based on our review, and received a response from Young Conaway, portions of which response are quoted herein.

DISCUSSION

3. We noted that in the following time entry, the sub-parts do not equal the amount of time that was billed to the estate, causing an over-billing of .10 of an hour and \$30.50 in fees:

1/3/08	Review/revise/edit motion to increase OCP case cap (.50); SGREE	0.70
	Email Agay re: same (.10)	

We asked Young Conaway to provide further explanation regarding this time entry and it responded as follows:

The Fee Auditor questions whether a time entry, in which the sub-parts do not equal the amount of time billed to the estate, should be reduced by .10 of an hour and \$30.50 in fees. After review, YCST determined that the total amount of the time entry was miscalculated. YCST agrees to a reduction of fees by \$30.50.

We appreciate Young Conaway's response and thus, recommend a reduction of \$30.50 in fees.

4. We noted two delivery charges which seem unusually high:

02/25/08	Vendor Name: 2501776 103609	AJose Delivery/Courier	\$724.09
03/26/08	Vendor Name: 2532663 104636	AJose Delivery/Courier	\$790.29

We asked Young Conaway to provide further explanation regarding this charges and it responded as follows:

The Fee Auditor requests additional information with respect to two delivery chages which appeared unusually high to the Fee Auditor. The charges, incurred on February 25, 2008 and March 26, 2008, are in the amounts of \$724.09 and \$790.29, respectively.

When documents are received by YCST after business hours and need to be served, the documents are delivered offsite to Parcels, Inc. ("Parcels") for copying and

service. Parcels adheres to the Local Rules and charges \$0.10 per page for copying costs. The February 25 invoice related to the hand delivery and mailing of the fifteenth monthly fee application of Kirkland & Ellis LLP, a 310-page long document, as well as a supplemental declaration from one of the Debtors' ordinary course professionals. This copy job totaled 5,598 pages, with the documents being mailed or hand delivered to 18 parties.

YCST has consulted with Parcels regarding the March 26 invoice, and has determined that this invoice was improperly allocated to the Debtors. Accordingly, YCST will reduce its requested expenses by \$790.29.

We appreciate Young Conaway's response and thus, recommend a reduction of \$790.29 in expenses.

CONCLUSION

5. Thus we recommend approval of fees totaling \$158,500.50 (\$158,531.00 minus \$30.50) and expenses in the amount of \$24,897.98 (\$25,688.27 minus \$790.29) for Young Conaway's services from January 1, 2008 through March 31, 2008.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By:  _____

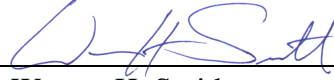
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FEE AUDITOR

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 21st day of August, 2008.



Warren H. Smith

SERVICE LIST

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