

**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 SEVENTH 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 Seventh 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 \$111,610.50 and costs totaling \$8,987.23 for its services from April 1, 2008 through June 30, 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 6.10 hours and \$732.00 performing similar, if not the same, tasks on the same day. The time entries are as follows:

1804865	Tate	04/01/08	0.40	Review docket and update case matters
1805707	Urban	04/01/08	0.40	Review and update case matters
1813873	Tate	04/15/08	0.30	Review docket and update case matters
1814409	Urban	04/15/08	0.20	Review and update case matters
1815167	Tate	04/16/08	0.40	Docket research re: disposition of case matters
1815090	Urban	04/16/08	0.60	Review docket regarding disposition of case pleadings
1817283	Tate	04/22/08	0.30	Review docket and update case matters
1817974	Urban	04/22/08	0.30	Review and update case matters
1818143	Tate	04/23/08	0.30	Review docket and update case matters
1818674	Urban	04/23/08	0.60	Review docket regarding disposition of case pleadings
1822084	Tate	04/29/08	0.20	Review docket and update case matters
1822528	Urban	04/29/08	0.20	Review and update case matters
1834339	Tate	05/20/08	0.50	Review docket regarding disposition of case pleadings
1834964	Urban	05/20/08	0.80	Review docket regarding disposition of case pleadings
1836650	Tate	05/23/08	0.30	Review docket and update case matters
1836678	Urban	05/23/08	0.30	Docket research re: disposition of case matters

We asked MNAT to please provide further explanation regarding these time entries and it responded as follows:

MNAT agrees to reduce this amount by \$366.00, which is half of the total request.

We appreciate MNAT's response and thus, recommend a reduction of \$366.00 in fees.

4. We noted a meal charge which is insufficient in detail and may be viewed as excessive:

651899	05/29/08	\$578.00	Meals - DEREK C. ABBOTT REIMBURSEMENT OF DINNER MEETING AT DOMAINE HUDSON BAR EATERY WITH MARLEY, SULLIVAN, GULLERY, THOMSON, BENSON, AND WILLETT - 05/29/08
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We asked MNAT to please provide further explanation regarding this charge and it responded as follows:

This entry was for a meal at Domaine Hudson in Wilmington, Delaware in connection with the hearing regarding approval of the settlement with the UK pension schemes. MNAT agrees to the fee auditor's recommendation of \$55 per person per dinner and therefore agrees to a reduction of \$27.57 per person totaling, \$192.99.


We appreciate MNAT's response and thus, recommend a reduction of \$192.99 in expenses.

CONCLUSION

5. Thus we recommend approval of fees totaling \$111,244.50 (\$111,610.50 minus \$366.00) and expenses in the amount of \$8,794.24 (\$8,987.23 minus \$192.99) for MNAT's services from April 1, 2008 through June 30, 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 12th day of December, 2008.


Warren H. Smith

SERVICE LIST

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