

**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 KIRKLAND & ELLIS LLP
FOR THE EIGHTH 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 Kirkland & Ellis LLP for the Eighth Interim Period (the "Application").

BACKGROUND

1. Kirkland & Ellis LLP ("K&E") was retained as counsel to the debtors and debtors-in-possession. In the Application, K&E seeks approval of fees totaling \$3,838,789.00 and costs totaling \$114,517.65 for its services from July 1, 2008 through September 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, 2009, 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 K&E an initial report based on our review, and received a response from K&E, portions of which response are quoted herein.

DISCUSSION

3. We noted for informational purposes only, that the hourly rates of UK Timekeepers John Baldry, Pierre-Andre Dubois, Lyndon E. Norley and Ian Taplin exceeded \$1,000.00¹ during the Application Period.

4. We noted several instances wherein multiple K&E professionals participated in meetings and/or conference calls. *See Exhibit A. 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.” Furthermore, the Delaware Local Rules, 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.” We asked K&E to review Exhibit A and provide further explanation regarding these time entries. K&E’s response is attached hereto as Response Exhibit 1. We appreciate K&E’s response and have no objection to these fees.

5. We noted that K&E appears to have over-billed the bankruptcy estate \$972.50 for the following entries whose subparts do not total the amount billed:

a. On July 21, 2008, JRD (565) billed under one time entry 3.00 hours for a total fee of \$1,695.00. The points only total to 2.50 hours for a total fee of \$1,412.50. Difference in fee total is \$282.50.

7/21/2008	Jessica R Droeger	3.00	Review comments to 3(b)(2) application (2.0); office conference with C. Willian re 1940 Act issues (.3); telephone conference with S. Robinson re same (.2).
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b. On September 10, 2008, LEN (1,200) billed under one time entry 5.90 hours for a total fee of \$7,080.00. The points only total to 5.50 hours for a total fee of \$6,600.00. Difference in fee

¹All of these professionals bill out of K&E’s London office.

total is \$480.00.

09/10/08 LEN 5.90 Review and analyze UK scheme issues (2.8); revise same (.8); review and comment on trust documents (1.4); participate in daily restructuring professionals update call re UK matters (.5).

c. On September 24, 2008, HP (700) billed under one time entry 12.10 hours for a total fee of \$8,470.00. The points only total to 11.80 hours for a total fee of \$8,260.00. Difference in fee total is \$210.00.

09/24/08 HP 12.10 Review and revise SCL affidavit (2.2); review and revise SCSL witness statement (4.7); draft correspondence to advisors, client and counsel re affidavit and witness statement (.3); telephone conference with T. Smith re advocacy on and content of UK schemes (.2); review correspondence from D. Saunders and S. Price re schemes (.2); review and revise SC Maritime Scheme (3.1); circulate SCL affidavit and SCSL witness statement (.2); correspondence with A. Lee re information for SCL affidavit (.3); prepare for and attend telephone conference with S. Asplin and F. Moeran re causes of action recovery (.2); meeting with L. Norley, K. Gutherless and N. McFerren re scheme management (.4).

The entries are correctly tabulated at 19.8 hours and \$16,272.50 in fees. We asked K&E to provide further explanation regarding these time entries and its response is attached hereto as Response Exhibit 2. We appreciate K&E's response and have no objection to these fees.

6. We noted a few meal charges which seem unusually high. *See* Exhibit B. We have researched and subsequently updated our recommended limits for meals to the following: for New York City and London, we recommend ceilings of \$35, \$45, and \$65 per person, for breakfast, lunch and dinner respectively. For all other cities, we recommend ceilings of \$25, \$35, and \$55. We asked K&E to review Exhibit B and provide further explanation regarding these charges and its response is attached hereto as Response Exhibit 3. We appreciate K&E's response and thus recommend a reduction of \$94.16² in expenses.

7. We noted that K&E seeks reimbursement of several hotel charges which are

²Meal reductions of: \$15.00, \$25.88, \$38.58 and \$14.70.

insufficient in detail and/or seem unusually high. *See* Exhibit C. We asked K&E to review Exhibit C and provide further explanation regarding these charges. K&E's response is attached hereto as Response Exhibit 4. We appreciate K&E's response and recommend reductions for each of these hotel stays, with the exception of Sienna Singer's 7/14/08 hotel charge at the W Hotel New York, as this hotel is rated 4 stars on Expedia.com's rating system. Our recommended reductions are as follows:

David Agay hotel stays 7/1 through 7/3/08 in London, England: We note that these hotel charges were incurred at 23 Greengarden House in London. Further, while these particular apartments are not rated on Expedia.com, we note that its website advertises this entity as "Luxury one and two bedroom serviced apartments . . .". We have consistently recommended that London hotel stays should not exceed \$450.00 per night (sans taxes). Thus, we recommend a reduction of \$369.27³ in expenses.

David Eaton hotel stays 7/28 through 7/30/08 in London England: As the Andaz Hotel in London, England is a 5 star hotel, we recommend a reduction of \$551.34⁴ in expenses.

David Eaton hotel stay 8/11/08 in New York, NY: As the Loews Regency Hotel is rated 4 ½ stars on Expedia.com, and our recommended ceiling for New York City hotel stays is also \$450.00 per night (sans taxes), we recommend a reduction of \$29.00⁵ in expenses.

Thus for this paragraph 7, we recommend a total reduction of \$949.61 in expenses.

³\$700.00 minus \$450.00 (allowed room charge) equals \$250.00. \$1.96 (exchange rate) times £64.75 (VAT) equals \$126.91. \$250.00 minus \$126.91 equals \$123.09 (reduction per night). \$123.09 times 3 nights equals \$369.27.

⁴\$744.66 minus \$450.00 (allowed room charge) equals \$294.66. \$1.98 (exchange rate) times £56.00 (VAT) equals \$110.88. \$294.66 minus \$110.88 equals \$183.78 (reduction per night). \$183.78 times 3 nights equals \$551.34.

⁵\$479.00 minus \$450.00 equals \$29.00.

8. We noted that in the July, 2008 monthly fee application, K&E seeks reimbursement of \$3,490.00 under the following categories: “Standard Prints”, “Standard Copies or Prints NY”, “Standard Copies or Prints UK/MU”, “Standard Prints NY”, and “Standard Prints UK/MU”, which we interpret to represent K&E’s internal duplication costs. The Application states that K&E’s internal duplication costs are charged at 10¢ per page, which is in line with the per page cap imposed by the Local Rules. However, the detail for these charges suggests that some of the copies were billed at a rate in excess of the 10¢ per page cap. We asked K&E to please provide further explanation regarding these charges and it responded as follows:

The Initial Reports noted that K&E billed \$0.15 a page for copies made in its New York and London offices for the July 2008 fee period. As indicated in our prior response, K&E has put into place a system designed to ensure that no copies are charged to the Debtors at the \$0.15 per page rate. (This system went into effect August 4, 2008, so all copy charges after that date will appear at the \$0.10 per page rate.) As a result, K&E agrees to a reduction of \$1,163.30 from the Fee Application.

We appreciate K&E’s response and thus, recommend a reduction of \$1,163.30 in expenses.

9. We noted that K&E seeks reimbursement of \$168.60 in “Scanned Images” for the month of July, 2008, billed at 15¢ per page. We asked K&E to provide further explanation as to why Scanned Images would necessitate being charged in excess of the duplication \$0.10 per page cap imposed by the Local Rules and it responded as follows:

The Initial Report requested an explanation regarding why scanned images are charged at \$0.15 per page instead of the \$0.10 per page charge allowed for photocopies pursuant to the applicable local Bankruptcy Rule. K&E agrees to a reduction of \$56.20 with regard to scanned images for the Eighth Interim Period.

We appreciate K&E’s response and thus, recommend a reduction of \$56.20 in expenses.

10. We noted the following charges which lack sufficient detail to determine their reasonableness:

5/29/08	Globalink Worldwide Express Ltd - Overnight Delivery.	\$696.27
	Package sent to Toronto, Canada for M.. Kald, 05/23/08	

5/30/08	West - Information Broker Doc/Svcs, Court Express document retrieval for May 2008 J. Fitzgerald	\$829.22
7/31/08	Legal Document Management Ltd - Miscellaneous Office Expenses - Legal Document Management Fees	\$692.79

We asked K&E to provide further explanation regarding each of these charges and it responded as follows:

a. Globalink Worldwide Express Ltd - Overnight Delivery

5/29/08	\$696.27	Globalink Worldwide Express Ltd. - Overnight Delivery Package sent to Toronto, Canada for M. Kald, 05/23/08
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K&E agrees to deduct \$696.27 from the Fee Application.

b. West - Court Express

5/30/08	\$829.22	West - Information Broker Doc/Svcs, Court Express document retrieval for May 2008 J. Fitzgerald
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The above-listed expense relates to the cost for retrieval of court documents by CourtExpress. CourtExpress is a service provided by Westlaw in which individuals go to the Courts to review and copy documents which are not found on Westlaw. This expense relates to seven separate trips to the Courts to review and copy documents in preparation for the pension settlement trial which took place on May 28 and 29, 2008 and June 6, 2008. For this reason, K&E respectfully requests approval of these Court document expenses.

c. Legal Document Management Ltd. - Miscellaneous

7/31/08	\$692.79	Legal Document Management Ltd. - Miscellaneous Office Expenses - Legal Document Management Fees
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The above-listed expense relates to the cost of the licensing fee and data hosting charges for the UK online database in connection with discovery related to the Debtors' Motion for Order Approving Settlement Regarding Pension Claims (the "Debtors' Pension Settlement Motion") [Filed: 2/18/08] (Docket No. 1458) for July 2007. The total cost of the invoice was £411.25 which converted to

\$829.22. For this reason, K&E respectfully requests approval of these UK database management fees.

We appreciate K&E's response and thus, recommend a reduction of \$696.27 in expenses.

11. We noted the following charges for "Professional Fees" which require further explanation:

6/09/08	Taylor Root - Professional Fees contract attorney fees - remainder of invoice owing	\$781.50
9/30/08	Denton Wilde Sapte - Professional Fees - this expense relates to payment on behalf of SCL regarding a proof of claim matter	\$17,761.43

We asked K&E to provide further explanation regarding these charges and it responded as follows:

The Initial Report identified two expenses for which it requests a more detailed explanation to determine their individual reasonableness or necessity to the estate. A more detailed explanation of these professional fees is set forth below.

a. Taylor Root

6/09/08	\$781.50	Taylor Root - Professional Fees contract attorneys fees - remainder of invoice owing
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The above-listed expense relates to the payment of UK contract attorneys in connection with discovery related to the Debtors' Pension Settlement Motion. Due to the voluminous amount of documents which needed to be reviewed it was more cost effective for the Debtors to hire contract attorneys to perform the document review as oppose to K&E attorneys. For this reason, K&E respectfully requests approval of these professional fees. A copy of the invoice is attached hereto as Exhibit A.

a. Denton Wilde Sapte - Professional Fees

9/30/08	\$17,761.43	Denton Wilde Sapte - Professional Fees - This expense relates to payment on behalf of SCL regarding proof of claim matter.
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The above-listed expense relates to a professional negligence action the Debtors brought against Denton Wilde Sapte ("DWS"). As a result of this action, a judgment was entered against the Debtors to pay DWS its costs incurred with respect to the interlocutory hearing.

K&E paid this judgment on behalf of the Debtors. The total amount the Debtors were ordered to pay was £9,832.50 which converted to \$17,761.43. For this reason, K&E respectfully requests approval of this amount. A copy of the Court order is attached hereto as Exhibit B.

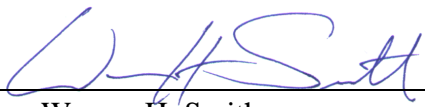
We appreciate K&E's response have reviewed Exhibits A and B described above. While we are not attaching these documents due to their voluminous nature, we do not have any objection to these expenses.

CONCLUSION

12. Thus we recommend approval of fees totaling \$3,838,789.00 and expenses totaling \$111,558.11 (\$114,517.65 minus \$2,959.54) for K&E's services from July 1, 2008 through September 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 23rd day of March, 2009.



Warren H. Smith

SERVICE LIST

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Exhibit A

a. On July 2, 2008, SRS (490), MNL (745), DLE (855) and DAA (605) (three Partners and one Associate) participated in a conference call. The total time spent including any preparation time was 4.20⁶ hours for a total fee of \$2,818.50.

7/2/2008	Sienna R Singer	7.50	Telephone conference re comments on GE definitive documents (1.1);.....
7/2/2008	M Natasha Labovitz	2.50	Attend telephone conference re GE SeaCo documents (1.1);.....
7/2/2008	David L Eaton	1.00	Telephone conference with M. Wilson, D. Agay and S. Singer re GE documentation.
7/2/2008	David A Agay	9.80; telephone conference with M. Wilson, N. Labovitz, D. Eaton and S. Singer re same (1.0);.....

b. On July 17, 2008, PWN (530), SS (530), PW (490), KG (650), SRS (490) and DAA (605) (one Partner and five Associates) participated in a conference call. The total time spent including any preparation time was 10.00 hours for a total fee of \$5,530.50.

7/17/2008	Phillip W Nelson	5.40; prepare for and participate in teleconference with working group and Bermuda counsel re Newco formation (1.3);.....
7/17/2008	Sarah Seewer	4.80; review memorandum from joint provisional liquidators (.6); participate in telephone conference with joint provisional liquidators re comments to plan and disclosure statement (1.2);.....
7/17/2008	Paul Wierbicki	2.60	Attend telephone conference with joint provisional liquidators re comments to the disclosure statement (1.2);.....
7/17/2008	Kim Gutherless	1.80	Telephone conference with D. Agay, joint provisional liquidators and L. Norley re disclosure statement.
7/17/2008	Sienna R Singer	5.20	Telephone conference with joint provisional liquidators (2.0);.....
7/17/2008	David A Agay	4.80	Telephone conference with joint provisional liquidators, J. Garrity, L. Clement, and L. Norley re plan and Bermuda schemes (1.9);.....

⁶ Time for this entry was located in the following project categories - (i) GECC Disputes and (ii) Plan, Disclosure Statement.

c. On July 20, 2008, SS (530), KG (650), SRS (490) and DAA (605) (one Partner and three Associates) participated in a conference call. The total time spent including any preparation time was 7.30 hours for a total fee of \$4,155.50.

7/20/2008	Sarah Seewer	5.70	Telephone conference with joint provisional liquidators, D. Agay re plan and disclosure statement (1.8);.....
7/20/2008	Kim Gutherless	1.80	Telephone conference with Ernst & Young, D. Agay and S. Seewer re plan of reorganization.
7/20/2008	Sienna R Singer	4.40	Telephone conference with joint provisional liquidators re plan comments (1.8);.....
7/20/2008	David A Agay	7.50	Telephone conference with Ernst & Young re plan and disclosure statement (1.9);.....

d. On July 24, 2008, PWN (530), SS (530), KG (650), DAA (605) and VVH (835) (two Partners and three Associates) participated in a conference call. The total time spent including any preparation time was 5.00 hours⁷ for a total fee of \$3,529.50.

7/24/2008	Phillip W Nelson	1.20	Prepare for and participate in telephone conference with D. Agay, V. Hood, L. Barlow, C. Cavin and L. Clement re SCAM pension liability and resolution of PBGC claim (.8);.....
7/24/2008	Sarah Seewer	1.90; telephone conference with L. Barlow, D. Agay, L. Norley, others re role of joint provisional liquidators and plan administrator (.5);.....
7/24/2008	Kim Gutherless	7.10; telephone conference with L. Clement, L. Ashe, L. Barlow, D. Agay and L. Norley re joint provisional liquidators (.6).
7/24/2008	David A Agay	7.30	Telephone conference with L. Barlow and L. Clement re plan administrator issues (.6);.....
7/24/2008	Vicki V Hood	2.50	Analyze U.S. pension issues (2.0); telephone conference with client and financial advisors re U.S. pension funding issues (.5).

e. On August 11 and 12, 2008, SRR (490), MNL (745) and DLE (855) (two Partners and one Associate) attended various meetings. The total time spent including any preparation and

⁷ Time for this entry was located in the following project categories - (i) Plan, Disclosure Statement and (ii) Creditors Communications.

non-working travel time was 58.90⁸ hours for a total fee of \$40,029.00.

08/11/08	SRR	7.80	Office conference with D. Eaton, N. Labovitz re conference with GE (1.0); office conference with GE SCSL Committee, SCL Committee re comments to GE settlement documents (6.8).
08/11/08	MNL	10.00	Correspondence with D. Eaton and M. Wilson re GE SeaCo documentation (.2); review blacklines re same (.7); telephone conference with client re same (.7); negotiations re same (7.7);.....
08/11/08	DLE	0.40	Telephone conference with GE re agenda for conference.
08/11/08	DLE	8.00	Attend conference with GE re final documentation.
08/11/08	DLE	0.60	Telephone conference with M. Wilson, M. Williams, P. Calvert and N. Labovitz re agenda and approach for GE conference.
08/12/08	SRR	13.40; review, edit and revised GE settlement documents (2.8); office conference with GE re negotiating, revising settlement documents (10.0).
08/12/08	DLE	11.30	Office conference with GE (and for part of time the committees) re definitive documentation.
08/11/08	SRR	2.70	Travel from Chicago to New York office for conference with GE and committees (billed at half time).
08/11/08	DLE	1.60	Travel from Chicago to New York for conference with GE and committees (billed at half time).
08/13/08	SRR	2.20	Travel from New York to Chicago from conference with GE and committees (billed at half time).
08/13/08	DLE	2.20	Travel from New York to Chicago from GE conferences (billed at half time).

⁸ Time for this entry was located in the following project categories - (i) GECC Disputes and (ii) Travel.

Exhibit B

7/07/08	Sienna Singer meals, Overtime Meal - Attorney, Chicago 07/07/08. (Overtime Meals). (Dinner for 1 person)	\$70.00
7/28/08	David Eaton, Meals, Travel Meal, London, England, 07/28/08 (Client Meeting) (Dinner for 1 person)	\$90.88
7/29/08	David Eaton, Meals, Travel Meal, London, England, 07/29/08 (Client Meeting) (Dinner for 1 person)	\$103.58
7/29/08	David Eaton, Meals, Travel Meal, London, England, 07/29/08 (Client Meeting) (Lunch for 1 person)	\$59.70

Exhibit C

7/01/08	David Agay, Hotel, London, 07/01/08, (Client Meeting), (one night stay)	\$700.00
7/02/08	David Agay, Hotel, London, 07/02/08, (Client Meeting), (one night stay)	\$700.00
7/03/08	David Agay, Hotel, London, 07/03/08, (Client Meeting), (one night stay)	\$700.00
7/14/08	Sienna Singer, Hotel, New York, 07/14/08, (Hearing), Hotel, (one night stay)	\$637.27
7/28/08	David Eaton, Hotel, London, England, 07/28/08, (Client Meeting) (one night stay) (Andaz Hotel)	\$744.66
7/29/08	David Eaton, Hotel, London, England, 07/29/08, (Client Meeting) (one night stay) (Andaz Hotel)	\$744.66
7/30/08	David Eaton, Hotel, London, England, 07/30/08, (Client Meeting) (one night stay) (Andaz Hotel)	\$744.66
8/11/08	David Eaton, Hotel, New York, NY, 08/11/08 (Meeting) (one night stay) (Loews Regency Hotel)	\$546.57

Response Exhibit 1

The Initial Report requests greater explanation concerning multiple K&E professionals' participation in certain meetings and/or conference calls. The following lettered paragraphs explain the topic(s) of each meeting and/or conference calls and the need for each professional's participation therein.

- a. July 2, 2008 — Conference Call
(Initial Report, Exhibit A, Item a)

Eaton/Labovitz/Agay/Singer

On July 2, 2008, David Eaton, David Agay, M. Natasha Labovitz and Sienna Singer participated in a telephone conference with the Debtors management to discuss the GE SeaCo definitive settlement documents. Mr. Eaton participated as the senior managing partner responsible for leading the negotiations with GE, their counsel and the creditors' committees relating to the GE SeaCo settlement matters. Ms. Labovitz participated as the restructuring partner responsible for managing the day-to-day GE SeaCo matters and finalizing the GE SeaCo definitive settlement documents. Mr. Agay participated as the restructuring partner responsible for managing the overall legal and administrative process in these chapter 11 cases. Ms. Singer participated as the restructuring associate responsible for drafting the definitive settlement documents. Additionally, the GE SeaCo definitive settlement documents were submitted to and approved by the Bankruptcy Court in connection with the confirmation of the Debtors' Plan.

- b. July 17, 2008 — Conference Call
(Initial Report, Exhibit A, Item b)

Agay/Gutherless/Wierbicki/Seewer/Singer/Nelson

As you are aware, SCL is incorporated in Bermuda and is in Chapter 11 Bankruptcy in the United States. Joint provisional liquidators (the "JPLs") were appointed over SCL by the Bermudian Insolvency Court. On July 17, 2008, David Agay, Kim Gutherless, Sarah Seewer, Sienna Singer, Paul Wierbicki and the Debtors participated in a telephone conference with the JPLs regarding the Debtors' Plan and Disclosure statement. Mr. Agay participated in his role as the restructuring partner managing the day-to-day process of the Debtors' chapter 11 cases. Mr. Agay was primarily responsible for supervising the Debtors' Plan drafting process. Mr. Agay also was responsible for obtaining the approval for Debtors' Plan and Disclosure Statement by the Bankruptcy Court. Ms. Gutherless participated as the UK associate responsible for drafting the U.K. Scheme of Arrangement and the Bermudian Scheme of Arrangement in respect to SCSL. Ms. Seewer participated as the restructuring associate responsible for conforming the U.K. Scheme of Arrangement and Bermudian Scheme of Arrangement in respect to SCL. Ms. Singer participated as the restructuring associate responsible for drafting the Debtors' Disclosure Statement and ensuring that it complied with the legal requirements of the bankruptcy code. Mr. Wierbicki participated as the restructuring associate responsible for drafting the Debtors' Plan and ensuring it complied with the legal requirements of the bankruptcy code. On July 31, 2008, the Debtors filed the Debtors' Joint Plan Pursuant to Chapter 11 of the United States Bankruptcy Code [Docket No. 2030] (the "Debtors'

Plan”) and the Disclosure Statement for Debtors’ Joint Plan Pursuant to Chapter 11 of the United States Bankruptcy Code [Docket No. 2031] (the “Debtors’ Disclosure Statement”) (collectively, the “Debtors’ Plan and Disclosure Statement”).

Separately, on July 17, 2008, Phillip Nelson participated in a telephone conference with the K&E working group and the Bermudian counsel as the restructuring associate responsible for researching and drafting a memorandum regarding the step plan for the formation of Newco, the entity that would hold the assets of Reorganized Debtors after the effective date of the Debtors’ Plan.

- c. July 20, 2008 — Conference Call
(Initial Report, Exhibit A, Item c)

Agay/Gutherless/Seewer/Singer

As stated above, the Debtors filed their plan and disclosure statement during the fee period. K&E attorneys, along with the JPLs, worked to ensure the Debtors’ Plan and Disclosure Statement, the Bermudian Scheme of Arrangement and UK Scheme of Arrangement accurately reflected the legal restructuring for implementation under the laws of Bermuda and under of the laws of England and Wales. The Debtors’ Plan, Bermudian Scheme of Arrangement and the UK Scheme of Arrangement were all interconditional. As a result, if the Debtors’ Plan was not confirmed, the Bermudian Scheme of Arrangement was not approved or sanctioned, or the UK Scheme of Arrangement was not approved or sanctioned, then none would have been implemented. To ensure the implementation, several telephone conferences were necessary for finalizing the Debtors’ Plan and the UK and Bermudian Schemes of Arrangement. David Agay, Kim Gutherless, Sarah Seewer and Sienna Singer each participated in their roles as discussed in paragraph (b) in connection with the Debtors’ Plan and Disclosure Statement, Bermudian Scheme of Arrangement and UK Scheme of Arrangement.

- d. July 24, 2008 — Conference Call
(Initial Report, Exhibit A, Item d)

Agay/Hood/Gutherless/Seewer/Nelson

On July 24, 2008, Vicki Hood and Phillip Nelson participated in a telephone conference with AlixPartners and the Debtors regarding Sea Containers America Inc.’s pension plan and the Pension Benefit Guaranty Corporation claims filed with respect to underfunding of the pension plan. Ms. Hood participated as the employee benefits partner responsible for advising the Debtors with respect to satisfying ERISA and the Internal Revenue Code’s requirements for defined benefit pension liabilities. Mr. Nelson participated as the restructuring associate responsible for handling the claims matters for these chapter 11 cases.

Separately, David Agay, Kim Gutherless and Sarah Seewer participated in a telephone conference with AlixPartners and the Debtors to discuss the roles the JPLs and the Plan Administrators in connection with the Debtors’ Plan so as to avoid duplication of efforts. As previously stated, Mr Agay participated as the restructuring partner responsible for supervising the Debtors’ Plan drafting process. Ms. Gutherless participated as the restructuring associate responsible

for drafting the UK Scheme of Arrangement. Ms. Seewer participated as the restructuring associate responsible for conforming the Debtors' Plan and Bermudian Scheme of Arrangement.

- e. August 11, 2008 — Various Meetings
(Initial Report, Exhibit A, Item e)

Eaton/Labovitz/Singer

On August 11 through August 13, 2008, David Eaton and Sienna Singer (née, Rakestraw) traveled to New York, New York, to meet with GE, their counsel and the creditors' committees to negotiate the GE SeaCo definitive settlement documents. As a result of these meetings, on August 14, 2008, the parties entered into the Master Transaction Agreement, which was the blueprint for the closing transaction contemplated by the GE SeaCo Framework Agreement. As previously stated, Mr. Eaton participated as the senior managing partner responsible for leading the negotiations with GE, their counsel and the creditors' committees relating to the GE SeaCo settlement matters. Ms. Labovitz participated as the restructuring partner managing the day-to-day GE SeaCo matters and finalizing the definitive documents. Ms. Singer participated as the restructuring associate responsible for drafting the GE SeaCo definitive documents. K&E notes certain of the time entries were for reviewing and revising settlement documents, correspondences related to the settlement documents and attendance at meetings relating to settlement matters.

Response Exhibit 2

The Initial Report noted three time entries in the fee application in which the fee totals did not match the parenthetical entries. The Initial Report asks that K&E examine each of these entries and respond as to whether these discrepancies represent accidental oversights and should therefore be deducted from the fee total. Each of the questioned time entries is set forth along with K&E's response below.

a. Jessica R. Droeger Time Entry

7/21/08	3.00	\$565.00	\$1,695.00	Review comments to 3(b)(2) application (2.0); office conference with C. Willian re 1940 Act issues (.3); telephone conference with S. Robinson re same (.2).
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Ms. Droeger's time billed on July 21, 2008, is correct at 3.00. Her time spent reviewing comments to the 3(b)(2) application should have been recorded as 2.50 hours instead of 2.00 hours. This was a typographical error that occurred in the preparation of the Fee Application. Therefore, the 3.00 hours time total, and the related fee listed in the Fee Application, is correct.

b. L. Norley's Time Entry

9/10/08	5.90	\$1,200.00	\$7,080.00	Review and analyze UK scheme issues (2.8); revise same (.8); review and comment on trust documents (1.4); participate in daily restructuring professionals update call re UK matters (.5).
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Mr. Norley's time billed on September 10, 2008, is correct at 5.90. His time spent reviewing and commenting on trust documents should have been recorded as 1.80 hours instead of 1.40 hours. This was a typographical error that occurred in the preparation of the Fee Application. Therefore, the 5.90 hours time total, and the related fee listed in the Fee Application, is correct.

c. H. Potts' Time Entry

9/24/08	12.10	\$700.00	\$8,470.00	Review and revise SCL affidavit (2.2); review and revise SCSL witness statement (4.7); draft correspondence to advisors, client and counsel re affidavit and witness statement (.3); telephone conference with T. Smith re advocacy on and content of UK schemes (.2); review correspondence from D. Saunders and S. Price re schemes (.2); review and revise SC Maritime Scheme (3.1); circulate SCL affidavit and SCSL witness statement (.2); correspondence with A. Lee re information for SCL affidavit (.3); prepare for and attend telephone conference with S. Asplin and F. Moeran re causes of action recovery (.2); meeting with L. Norley, K. Gutherless and N. McFerren re scheme management (.4).
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Ms. Potts' time billed on September 24, 2008, is correct at 12.10. Her time spent drafting correspondence to advisors, client and counsel regarding affidavit and witness statement should have been recorded as 0.60 hours instead of 0.30 hours. This was a typographical error that occurred in the preparation of the Fee Application. Therefore, the 12.10 hours time total, and the related fee listed in the Fee Application, is correct.

Response Exhibit 3

The Initial Report identified several meal charges with respect to which the Initial Report requests whether K&E agrees with the recommended ceiling of \$35.00 per person for breakfast, \$45.00 per person for lunch, \$65.00 for dinner for New York and London and \$25.00 per-person for breakfast, \$35.00 per-person for lunch and \$55.00 per-person for dinner for all other locales.

K&E agrees to the Fee Auditor's recommended ceiling with respect to below-listed meals solely for the Eighth Interim Fee Application. K&E reserves all rights with respect thereto for future fee applications. K&E's agreed reductions are set forth below.

a. S. Singer Overtime Meal

7/7/08	\$70.00	Sienna Singer meals, Overtime Meal - Attorney, Chicago 07/07/08. (Overtime Meals). (Dinner for 1 person)
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K&E agrees to deduct \$15.00 from the Fee Application.

b. D. Eaton Travel Meal

7/28/08	\$90.88	David Eaton, Meals, Travel Meal, London, England, 07/28/08 (Client Meeting) (Dinner for 1 person)
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K&E agrees to deduct \$25.88 from the Fee Application.

c. D. Eaton Travel Meal

7/29/08	\$103.58	David Eaton, Meals, Travel Meal, London, England, 07/29/08 (Client Meeting) (Dinner for 1 person)
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K&E agrees to deduct \$38.58 from the Fee Application.

d. D. Eaton Travel Meal

7/29/08	\$59.70	David Eaton, Meals, Travel Meal, London, England, 07/29/08 (Client Meeting) (Lunch for 1 person)
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K&E agrees to deduct \$14.70 from the Fee Application.

Response Exhibit 4

The Initial Report identified several hotel charges with respect to which it requests further explanation regarding each charge, namely, name of hotel, city location of hotel, number of nights, nightly rate (sans taxes), and any miscellaneous charges included in these totals. The hotel expenses noted in the Initial Report are for hotel stays for travel to either London or New York on behalf of the Debtors. As K&E has stated in previous responses the overnight occupancy rates at London hotels, as measured in U.S. dollars, are high because of a currently unfavorable exchange rate. In addition, there is a general dearth of discounted rooms, and K&E professionals have difficulty obtaining discounted rooms in any event because reservations often are booked on short notice when there is limited availability. With respect to New York hotel rates, while the firm has contracted discounted rates at certain New York hotels, K&E professionals have difficulty obtaining discounted rooms because reservations often are booked on short notice when there is limited availability. K&E makes every effort to minimize the need for travel and travel expenses. An explanation of each of the hotel expenses is set forth below. Each expense item includes the cost of a one-night stay and any applicable taxes. There are no incidental charges included in the below listed-hotel expenses:

a. D. Agay- Hotel

7/1/08	\$700.00	David Agay, Hotel, London, 07/01/08, (Client Meeting), (one night stay)
7/2/08	\$700.00	David Agay, Hotel, London, 07/02/08, (Client Meeting), (one night stay)
7/3/08	\$700.00	David Agay, Hotel, London, 07/03/08, (Client Meeting), (one night stay)

Mr. Agay traveled to London from June 16 to July 4, 2008 to supervise preparation of the Debtors' Plan and Disclosure Statement and to attend client meetings regarding the Debtors' Plan. The above-listed expenses are for the cost of a one night stay for each of the above-listed dates at 23 Greengarden House. The nightly rate was £370 and the VAT was £64.75. The total cost of a one night stay was £434.75, which converted to US\$854.53. The exchange rate used was \$1.96. K&E notes that a \$153.53 reduction was taken for each of these nightly stays.

b. S. Singer - Hotel

7/14/08	\$637.27	Sienna Singer, Hotel, New York, 07/14/08 (Hearings), Hotel, (One night stay)
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Ms. Singer traveled to New York from July 14 to 15, 2008 to attend meetings with GE, their counsel and the creditors' committees. The above-listed expense is for the cost of a one night stay at the W New York Hotel. The nightly rate was \$559.00 and the state, occupancy, room and javitz center taxes were \$78.27.

c. D. Eaton - Hotel

7/28/08	\$744.66	David Eaton, Hotel, London, England, 07/28/08 (Client Meeting) (One night stay) (Andaz Hotel)
7/29/08	\$744.66	David Eaton, Hotel, London, England, 07/29/08 (Client Meeting) (One night stay) (Andaz Hotel)
7/30/08	\$744.66	David Eaton, Hotel, London, England, 07/30/08 (Client Meeting) (One night stay) (Andaz Hotel)

Mr. Eaton traveled to London from July 27 to August 3, 2008 to attend meetings with the Debtors and the UK restructuring team regarding the Debtors' Plan. The above-listed expenses are for the cost of a one night stay for each of the above-listed dates at the Andaz. The nightly rate was

£320.00 and the VAT was £56.00. The total cost of the hotel was £376.00, which converted to US\$744.66. The exchange rate used was \$1.98.

d. D. Eaton - Hotel

8/11/08	\$546.57	David Eaton, Hotel, New York, NY, 08/11/08 (Meeting) (One night stay) (Loews Regency Hotel)
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Mr. Eaton traveled to New York from August 11 to 13, 2008 to attend meetings with GE, their counsel and the creditors' committees.. The above-listed expense is for a one night stay at the Loews Regency Hotel. The nightly rate was \$479.00 and the state, occupancy and javitz center taxes were \$67.57.