

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	:	Chapter 11
	:	
ADVANTA CORP., et al.,	:	Case No. 09-13931 (KJC)
	:	
Debtors.	:	(Jointly Administered)

**FEE AUDITOR’S FINAL REPORT REGARDING THE THIRD INTERIM
FEE APPLICATION OF RICHARDS, LAYTON & FINGER, P.A.**

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 Third Interim Fee Application of Richards, Layton & Finger, P.A. (the “Application”).

BACKGROUND

1. Richards, Layton & Finger, P.A. (“RL&F”), was retained as counsel to the Debtors and Debtors-in-Possession. In the Application, RL&F seeks approval of fees totaling \$163,835.50 and expenses totaling \$17,876.29 for its services from August 1, 2010 through November 30, 2010 (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, 2011, 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 “U.S. Trustee 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 sent RL&F an initial report based on our review. As of this date, we have not received a response from RL&F to our initial report.¹

DISCUSSION

3. In our initial report, we noted the following time entry in which the total time billed exceeds the amount of time recorded within the work description:

08/09/10	Attend to request of check for pro hacs for C. Cox and R. Levine (.1); Draft pro hac vice motion of R. Levine (.2); Draft pro hac vice motion of M. Kaufman (.2); Circulate both to Z. Shapiro for review (.1); Circulate pro hac vice motion of R. Levine to R. Levine for review and signature (.1); Circulate pro hac vice motion of M. Kaufman to M. Kaufman for review and signature (.1); Attend to request of check for pro hac vice motion of S. Litvinoff (.1); Draft pro hac vice motion of S. Litvinoff (.2); Circulate same to S. Litvinoff for review and signature (.1); Coordinate delivery of checks for pro hacs of C. Cox, R. Levine and S. Litvinoff to U.S. District Court (.1); Efile pro hac vice motion of C. Cox (.1); Efile pro hac vice motion of M. Kaufman (.1); Efile pro hac vice motion of S. Litvinoff (.1); Efile pro hac vice motion of R. Levine (.1); Coordinate delivery of all pro hac vice motions to chambers (.2); Update pro hac vice motion chart (.1);			
Paralegal	Jamie E. Schairer	2.50 hrs.	195.00	\$487.50

The time recorded within the work description calculates to 2.00 hours, rather than 2.50 hours, thereby creating an apparent overcharge of \$97.50. Without benefit of RL&F’s explanation of this discrepancy, we must recommend a reduction of \$97.50 in fees.

4. We noted total Westlaw charges of \$11,623.28 for the Application Period. As these Westlaw charges seemed somewhat high, we asked RL&F to confirm that they did not exceed

¹We contacted RL&F multiple times by email concerning a response to our initial report. We advised RL&F by telephone and by email that we would be filing this final report on May 6, 2011, with or without RL&F’s response.

actual cost.² Without benefit of RL&F’s response, we must assume that these charges were billed at Westlaw’s “Standard Charge” rate. Thus, we recommend that reimbursement for these charges be reduced to Westlaw’s “Special Pricing Charge,”³ rate, for a reduction of \$10,876.81 in expenses.

5. We noted the following “overtime” or “working” meal charges for which more information was needed:

8/9/2010	Mikimotos	Dinner for 1	Draft motion to strike	\$33.27
8/11/2010	Grottos	Dinner for 1	Preparation for 8/12/10 hearing and Advanta Bank Corp. trial	\$29.30
8/12/2010	Columbus Inn	Dinner for 1	Preparations in connection with Advanta Bank Corp trial, including finalizing evidentiary motions	\$46.28
8/13/2010	Cosi	Lunch for 2	Multiple filings and preparation of binders for Advanta Bank Corp. trial	\$38.27
8/24/2010	Columbus Inn	Dinner for 2	Prepare for filing 9019 motion setting adversary proceeding	\$39.15
8/25/2010	Mikimotos	Dinner for 1	Prepare for filing 9019 motion resolving adversary proceeding	\$23.13
8/31/2010	Kooma	Dinner for 1	File claims objections	\$20.24
10/5/2010	Mikimotos	Dinner for 1	Review and comment on solicitation procedures motion	\$45.48

²Local Rule 2016-2(e)(iii) provides as follows: “The motion shall state the requested rate for copying charges (which shall not exceed \$.10 per page), *computer-assisted legal research charges (which shall not exceed actual cost)* and outgoing facsimile transmission charges (which shall not exceed \$1.00 per page, with no charge for incoming facsimiles) (emphasis added).”

³It is our understanding that Westlaw’s “Special Pricing Charges,” plus taxes, equate to approximately 6.42% of the Westlaw “Standard Charges.”

11/2/2010	Mikimotos	Dinner for 1	ZIS - Review, revise and finalize for filing disclosure statement, plan and solicitation procedures motion	\$52.55
11/2/2010	Olive Garden	Dinner for 1	JZS - Efile chapter 11 plan, disclosure statement and solicitation procedures motion	\$17.61
11/3/2010	Grottos	Dinner for 1	CXG - File motion for authority to exercise ownership rights re: Ins. Policies	\$13.59
11/30/2010	Mikimotos	Dinner for 1	ZIS - Revise amended schedules	\$26.54
				\$385.41

Because we were not provided with the names of the professionals incurring these charges, we were unable to ascertain whether the estate should reimburse these expenses.⁴ Thus, we recommend disallowance of these meal charges, for a reduction of \$385.41 in expenses.

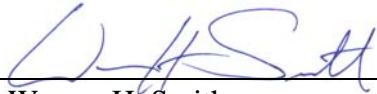
CONCLUSION

6. Thus, we recommend approval of \$163,738.00 in fees (\$163,835.50 minus \$97.50) and \$6,614.07 in expenses (\$17,876.29 minus \$11,262.22) for RL&F's services for the Application Period.

⁴We typically do not object to late night or working dinner charges unless the professional incurring the charge billed less than three hours to the case on the date in question. We typically object to working lunch charges, unless they were incurred in connection with case-related meetings (either firm meetings or meetings with third parties) or case-related travel.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.


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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 by First Class United States mail to the attached service list on this 6th day of May, 2011.


Warren H. Smith

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