

**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 FINAL FEE APPLICATION OF
FTI CONSULTING, INC., FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES FOR THE
PERIOD FROM NOVEMBER 24, 2009 THROUGH FEBRUARY 28, 2011**

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 Final Fee Application of FTI Consulting, Inc., for Allowance of Compensation for Services Rendered and Reimbursement of Expenses for the Period from November 24, 2009 through February 28, 2011 (the “Application” or “Final Application”).

BACKGROUND

1. FTI Consulting, Inc. (“FTI”), was retained as financial advisor to the Official Committee of Unsecured Creditors (the “Committee”). In the Application, FTI seeks approval of fees and expenses as follows: fees totaling \$433,762.50 and expenses totaling \$5,021.31 for its services from December 1, 2010 through February 28, 2011 (the “Fourth Interim Period”),¹ and final

¹FTI did not file a quarterly application for the Fourth Interim Period, but included these amounts in its Final Application.

approval of fees totaling \$2,366,213.50² and expenses totaling \$21,315.82³ for its services from November 24, 2009 through February 28, 2011 (the “Final 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 served an initial report on FTI based on our review, and we received a response from FTI, portions of which response are quoted herein.

DISCUSSION

Fourth Interim Period

3. We noted the following car service charge:

²We note that the total of the fees requested in FTI’s three prior applications, plus the compensation sought for the Fourth Interim Period, is \$2,367,165.50. It appears that FTI has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 7, to arrive at the figure it seeks of \$2,366,213.50. We note that the Court has ruled on the First through Third Interim Periods, but no rulings have been made on the Fourth Interim Period.

³We note that the total of the expenses requested in FTI’s three prior applications, plus the expenses sought for the Fourth Interim Period, is \$21,468.01. It appears that FTI has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 7, to arrive at the figure it seeks of \$21,315.82. We note that the Court has ruled on the First through Third Interim Periods, but no rulings have been made on the Fourth Interim Period.

12/07/2010	Cordasco, Michael	Car Service - Office to home (overtime)	128.52
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In response to our request, FTI provided the following information concerning this charge:

This expense was on behalf of Michael Cordasco ..., and his destination zip code was ..., approximately 22 miles away from the FTI New York City office. Mr. Cordasco worked past midnight ... and therefore needed a car service to go home.

We note that the taxi fare for the trip from FTI's New York City office to Mr. Cordasco's home would have exceeded the cost of the car service charge which was billed. Thus, we have no objection to this expense.⁴

4. We noted the following charges for in-flight satellite phone calls:

12/08/2010	Park, Ji Yon	Telephone - In flight satellite phone with I. Chen (FTI) re: term sheet modeling.	18.56
12/08/2010	Park, Ji Yon	Telephone - In flight satellite phone with I. Chen (FTI) re: term sheet modeling.	181.49

Because such in-flight calls are extremely expensive, we asked FTI to explain why Ms. Park was unable to wait until the plane landed to make these calls. FTI responded:

On 12/8/10, there was a scheduled creditors' committee conference call to discuss the term sheet recovery model. Ms. Park was traveling from South Korea to the United States on a 14-hour flight and would not have landed before the scheduled conference call. Since Ms. Park was extensively involved in the term sheet modeling, it was important for her to review and weigh in on the model outputs to be presented to the creditors' committee.

We accept FTI's response and have no objection to this expense.

5. We noted the following meal charge for which more information was needed:

⁴We typically object to charges for late night transportation from the office to a professional's home unless the professional billed at least three hours on the case on the date the charge was incurred. We note that Mr. Cordasco billed 3.8 hours to the case on 12/7/2010, and thus we have no objection to this expense. We researched all taxi fares at www.taxifarefinder.com.

01/27/2011	Scruton, Andrew	Meals - Out of town dinner	62.92
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In response to our inquiry, FTI provided the following information:

Mr. Scruton incurred the out of town dinner in New York City while traveling back from Philadelphia, Pennsylvania after the in-person meeting with Advanta employees. Mr. Scruton was dining with no other person.

Based on our dinner guideline of \$70 per person for New York City, we accept FTI's response and have no objection to this expense.

6. Thus, we recommend approval of \$433,762.50 in fees and \$5,021.31 in expenses for FTI's services for the Fourth Interim Period.

Prior Interim Periods

7. We note that we previously filed the following final reports for FTI's prior interim applications, which final reports we incorporate by reference herein, and we also note the following orders that ruled on FTI's prior interim fee applications:

1st Period: Fee Auditor's Final Report Regarding the First Interim Fee Application of FTI Consulting, Inc. (Docket #815), filed on or about September 21, 2010, in which we recommended approval of fees totaling \$906,150.50 and expenses totaling \$6,201.29, reflecting our recommended reduction of \$952.00 in fees, as further explained in paragraphs 3, 4 and 6 of that final report. These recommendations were adopted in the Omnibus Order Approving First Interim Fee Application Requests, dated October 26, 2010 (Docket #879).

2nd Period: Fee Auditor's Final Report Regarding the Second Interim Fee Application of FTI Consulting, Inc. (Docket #1094), filed on or about January 11, 2011,

in which we recommended approval of fees totaling \$455,262.50 and expenses totaling \$1,714.86, reflecting our recommended reduction of \$37.96 in expenses, as further explained in paragraph 5 of that final report. These recommendations were adopted in the Omnibus Order Approving Second Interim Fee Application Requests, dated February 8, 2011 (Docket #1150).

3rd Period: Fee Auditor's Final Report Regarding the Third Interim Fee Application of FTI Consulting, Inc. (Docket #1225), filed on or about April 13, 2011, in which we recommended approval of fees totaling \$571,038.00 and expenses totaling \$8,378.36, reflecting our recommended reduction of \$114.23 in expenses, as further explained in paragraph 5 of that final report. These recommendations were adopted in the Omnibus Order Approving Third Interim Fee Applications, dated June 3, 2011 (Docket #1279).

8. We have reviewed the final reports and orders allowing fees and expenses for the prior interim periods, and we do not believe there is any reason to change any of the amounts awarded for the prior interim periods.

CONCLUSION

9. Thus, we recommend final approval of \$2,366,213.50⁵ in fees and \$21,315.82⁶ in expenses for FTI's services for the Final Application Period.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: _____


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FEE AUDITOR

⁵We note that the total of the fees requested in FTI's three prior applications, plus the compensation sought for the Fourth Interim Period, is \$2,367,165.50. It appears that FTI has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 7, to arrive at the figure it seeks of \$2,366,213.50. We note that the Court has ruled on the First through Third Interim Periods, but no rulings have been made on the Fourth Interim Period.

⁶We note that the total of the expenses requested in FTI's three prior applications, plus the expenses sought for the Fourth Interim Period, is \$21,468.01. It appears that FTI has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 7, to arrive at the figure it seeks of \$21,315.82. We note that the Court has ruled on the First through Third Interim Periods, but no rulings have been made on the Fourth Interim Period.

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 June, 2011.



Warren H. Smith

SERVICE LIST
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