

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
Focal Communications Corporation, et al., ¹)	Case No. 02-13709 (KJC)
)	Jointly Administered
)	
Debtors)	Objection Deadline: August 18, 2003 at 4:00 p.m.
)	Hearing Date: August 21, 2003 at 3:30 p.m.

**SUMMARY OF THE VERIFIED FOURTH MONTHLY AND FINAL APPLICATION
OF KIRKLAND & ELLIS LLP FOR ALLOWANCE OF ADMINISTRATIVE
CLAIM FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD DECEMBER 20, 2002 THROUGH JULY 1, 2003**

Name of Applicant:	<u>Kirkland & Ellis LLP</u>
Authorized to Provide Professional Services to:	<u>Focal Communications Corporation, et al., Debtors and Debtors-in-Possession</u>
Date of Retention:	<u>Retention Order entered February 26, 2003, effective as of December 20, 2002</u>
Period for which compensation and reimbursement is sought:	<u>December 20, 2002 through July 1, 2003</u>
Amount of Monthly Compensation sought as actual, reasonable and necessary:	<u>\$288,476.50</u>
Amount of Monthly Expense Reimbursement sought as actual, reasonable, and necessary:	<u>\$11,280.21</u>
Amount of Final Compensation sought as actual, reasonable and necessary:	<u>\$882,222.00²</u>
Amount of Final Expense Reimbursement sought as actual, reasonable, and necessary:	<u>\$28,175.11</u>

¹ The Debtors are the following entities: Focal Communications Corporation, Focal Communications Corporation of California, Focal Communications Corporation of Colorado, Focal Communications Corporation of Connecticut, Focal Communications Corporation of Florida, Focal Communications Corporation of Georgia, Focal Communications Corporation of Illinois, Focal Communications Corporation of Massachusetts, Focal Communications Corporation of Michigan, Focal Communications Corporation of the Mid-Atlantic, Focal Communications Corporation of Minnesota, Focal Communications Corporation of Missouri, Focal Communications Corporation of New England, Focal Communications Corporation of New Jersey, Focal Communications Corporation of New York, Focal Communications Corporation of Ohio, Focal Communications Corporation of Pennsylvania, Focal Communications Corporation of Texas, Focal Communications Corporation of Virginia, Focal Communications Corporation of Washington, Focal Communications Corporation of Wisconsin, Focal Financial Services, Inc., Focal International Corp., Focal Telecommunications Corporation, Focal Equipment Finance, LLC and Focal Fiber Leasing, LLC

² Amount reflects an agreed reduction of \$1,699.50 in fees from K&E's First Monthly Fee Application.

This is a ___ monthly ___ interim X final application.

Previous fee applications:

Date Filed	Period Covered	Fees Requested	Expenses Requested	Approved Fees	Approved Expenses
May 1, 2003	12/20/02-3/31/03	\$361,393.50 ²	\$13,494.61	\$361,393.50	\$13,494.61
June 24, 2003	4/1/03-4/31/03	\$143,425.00	\$1,246.03	\$114,740.00	\$1,246.03
July 22, 2003	5/1/03-5/31/03	\$88,927.00	\$2,154.26	Pending	Pending

The K&E attorneys who rendered professional services in these cases during the period from December 20, 2002 through July 1, 2003 (the "Final Fee Period") are:

Name of Professional Person	Position with the Applicant	Year Admitted	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Mazen Asbahi	Associate	2000	Corporate	\$295.00	0.20	\$11,498.00
				\$310.00	36.90	
Salvatore F. Bianca	Associate	Pending	Bankruptcy	\$300.00	10.40	\$9,220.00
				\$305.00	20.00	
Erin L. Bishop	Associate	1996	Corporate	\$375.00	246.40	\$95,599.50
				\$395.00	8.10	
Deanna D. Boll	Associate	1998	Bankruptcy	\$410.00	0.60	\$5,538.00
				\$420.00	12.60	
Christopher Butler	Partner	1989	Corporate	\$560.00	78.30	\$43,848.00
Richard J. Campbell	Partner	1997	Corporate	\$395.00	5.50	\$58,670.50
				\$410.00	137.80	
Benjamin P. Cooper	Associate	1998	Litigation	\$445.00	15.50	\$6,897.50
Rebekah R. Eubanks	Associate	1997	Corporate	\$380.00	12.30	\$41,251.00
				\$395.00	92.60	
Gregory W. Gallagher	Associate	1997	Taxation	\$415.00	1.30	\$11,462.00
				\$425.00	25.70	
Margaret A. Gibson, P.C.	Partner	1989	Corporate	\$615.00	13.30	\$147,371.50
				\$635.00	219.20	
Stephen Johnson	Partner	1982	Intellectual Property	\$670.00	0.90	\$603.00
Andrew M. Kaufman, P.C.	Partner	1974	Corporate	\$635.00	3.80	\$2,413.00
William S. Kirsch, P.C.	Partner	1981	Corporate	\$665.00	3.50	\$76,102.00
				\$685.00	107.70	
Christian J. Lane	Associate	1998	Bankruptcy	\$420.00	0.70	\$294.00
Eric F. Leon	Partner	1994	Litigation	\$485.00	5.80	\$2,813.00
Daniel Lin	Associate	2001	Intellectual Property	\$270.00	4.70	\$1,269.00

Name of Professional Person	Position with the Applicant	Year Admitted	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Kevin L. Morris	Associate	2002	Bankruptcy	\$255.00	6.60	\$1,683.00
Michelle Mulhern	Associate	Pending	Corporate	\$225.00	127.00	\$28,575.00
Dennis M. Myers	Partner	1996	Corporate	\$515.00	1.00	\$27,329.00
				\$545.00	49.20	
Ryan Nadick	Associate	1998	Bankruptcy	\$385.00	36.30	\$19,201.50
				\$390.00	13.40	
Pablo L. Petrozzi	Associate	1999	Real Estate	\$310.00	1.70	\$527.00
Richard W. Porter, P.C.	Share Partner	1987	Corporate	\$580.00	0.40	\$232.00
Jeffrey W. Richards	Partner	1995	Corporate	\$430.00	90.40	\$38,872.00
Bradley V. Ritter	Partner	1991	Real Estate	\$445.00	0.50	\$222.50
Pratibha J. Shenoy	Associate	2001	Taxation	\$280.00	17.80	\$4,984.00
James A. Stempel	Partner	1989	Bankruptcy	\$630.00	15.90	\$111,607.50
				\$655.00	155.10	
William E. Tymm	Partner	1970	Corporate	\$570.00	47.80	\$27,246.00
William R. Welke, P.C.	Partner	1983	Taxation	\$685.00	5.80	\$3,973.00
Robert A. Wilson	Associate	1999	Corporate	\$345.00	130.10	\$47,134.50
				\$375.00	6.00	
Thomas Young	Associate	2003	Corporate	\$225.00	70.00	\$15,750.00
Total for Attorneys					1,838.80	\$842,187.00

The paraprofessionals of K&E who rendered professional services in these cases during the

Final Fee Period are:

Name of Professional Person	Position with the Applicant and Number of Years in that Position	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
James B. Anderson	Project Assistant 2 Years	Litigation	\$115.00	5.70	\$655.50
Daniel B. Baglio	Case Assistant 2 Years	Bankruptcy	\$105.00	5.50	\$577.50
Barbara A. Beach	Legal Assistant 12 Years	Corporate	\$210.00	14.70	\$3,087.00
Jason Berrebi	Case Assistant 1 Year	Intellectual Property	\$100.00	10.00	\$1,000.00
E. Diane Campanile	Legal Assistant 19 Years	Corporate	\$185.00	0.60	\$111.00
Elizabeth Cox Arnold	Legal Assistant 13 Years	Bankruptcy	\$190.00	2.00	\$380.00
Katherine F. Downs	Case Assistant 1 Year	Intellectual Property	\$100.00	3.00	\$300.00
Thaddine Gomez	Legal Assistant 20 Years	Corporate	\$225.00	1.20	\$270.00
Lisa A. Horton	Legal Assistant 3 Years	Corporate	\$215.00	0.50	\$107.50
Maren C. Hozempa	Project Assistant 8 Months	Litigation	\$110.00	5.00	\$550.00
Claude W. Irmis	Legal Assistant 8 Years	Bankruptcy	\$190.00	1.50	\$285.00
Michelle L. Jawor	Legal Assistant 3 Years	Bankruptcy	\$190.00	5.80	\$1,102.00
Robert A. Kiburz	Law Clerk 2 Months	Corporate	\$165.00	96.20	\$15,873.00
Teresa M. Koziara	Project Assistant 6 Months	Corporate	\$110.00	1.00	\$110.00

Name of Professional Person	Position with the Applicant and Number of Years in that Position	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
William C. Lee	Legal Assistant 13 Years	Intellectual Property	\$205.00	14.50	\$2,972.50
Patrick McGinnis	Case Assistant 1 Year	Intellectual Property	\$100.00	7.80	\$780.00
Melissa L. Melzer	Project Assistant 2 Years	Bankruptcy	\$120.00	2.30	\$276.00
Nathanael F. Meyers	Legal Assistant 9 Years	Bankruptcy	\$180.00	1.10	\$198.00
Sabrina M. Mitchell	Legal Assistant 1 Month	Bankruptcy	\$120.00	1.10	\$132.00
Mary Ann Miya	Administrative Staff 7 Years	Administrative Services	\$225.00	0.40	\$90.00
Joyce Rocco	Other Billers 8 Years	Administrative Services	\$105.00	0.50	\$52.50
Francis C. Rowinski	Legal Assistant 9 Years	Bankruptcy	\$175.00	2.50	\$437.50
Catherine M. Simpson	Legal Assistant 3 Years	Corporate	\$145.00	38.50	\$6,807.50
			\$175.00	7.00	
Charisma J. Starr	Technology Services 2 Years	Litigation	\$125.00	1.50	\$187.50
Toni L. Wallace	Legal Assistant 2 Years	Bankruptcy	\$150.00	17.00	\$2,550.00
Charlotte L. Westhoff	Project Assistant 6 Months	Bankruptcy	\$110.00	0.30	\$33.00
Kenwyn S. Williams	Legal Assistant 10 Years	Litigation	\$180.00	0.50	\$90.00
Susan L. Woods	Other Billers 1 Year	Administrative Services	\$105.00	4.30	\$451.50
Jennifer A. Wrzesinski	Legal Assistant 3 Years	Litigation	\$135.00	16.80	\$2,268.00
Total for Paraprofessionals				268.80	\$41,734.50

Compensation by Matter

Matter Number	Matter Description	Total Hours	Total Fees Requested
3	Securities Matters	107.70	\$59,922.00
4	MCI WorldCom	52.00	\$20,845.00
6	MD Teleservices, Inc. vs. Client	3.30	\$1,468.50
15	Corporate Matters	1,612.80	\$673,722.50
22	K&E Retention	94.10	\$41,904.50
25	Fee Applications - K&E	32.60	\$9,849.00
41	Tax Issues	55.30	\$23,227.50
42	Travel	5.20	\$2,786.00
47	StarNet Communications	0.70	\$458.50
48	Transitional Services	81.10	\$41,212.00
49	Document Production/Litigation Support	62.80	\$8,526.00
	Total	2,107.60	\$883,921.50
	Agreed Reduction of Fees in First Monthly Fee Application		\$1,699.50
	Final Total		\$882,222.00

Total Fees: \$882,222.00

Blended Rate: \$418.59

Expense Summary

Service Description	Amount
Telephone	\$2,403.25
Fax Telephone Charge	\$41.35
Fax Charge	\$258.00
Standard Copies	\$2,364.55
Binding	\$10.50
Tabs/Indexes/Dividers	\$39.50
Color Copies	\$163.50
Scanned Images	\$334.20
Postage	\$4.70
Overnight Delivery	\$706.39
Overnight Delivery - Refund	\$(16.07)
Outside Messenger Services	\$697.70
Local Transportation	\$24.00
Travel Expense	\$2,679.44
Airfare	\$6,321.26
Transportation to/from airport	\$190.46
Travel Meals	\$266.32
Other Travel Expenses	\$34.00
Calendar/Court Services	\$25.00
Outside Paralegal Assistance	\$403.36
Outside Copy/Binding Services	\$3,730.48
Working Meals/K&E and Others	\$14.85
Information Broker Doc/Svcs	\$795.17
Library Document Procurement	\$30.00
Computer Database Research	\$997.15
Overtime Transportation	\$447.06
Overtime Meals	\$82.45
Overtime Meals - Attorney	\$517.77
Secretarial Overtime	\$3,979.96
Word Processing Overtime	\$628.81
Total	\$28,175.11

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FOR THE DISTRICT OF DELAWARE**

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)	
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Debtors)	Objection Deadline: August 18, 2003 at 4:00 p.m.
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**VERIFIED FOURTH MONTHLY AND FINAL APPLICATION OF
KIRKLAND & ELLIS LLP FOR ALLOWANCE OF ADMINISTRATIVE
CLAIM FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD DECEMBER 20, 2002 THROUGH JULY 1, 2003**

Pursuant to 11 U.S.C. §§ 330 (a) and 503(b)(1)(A) (the “Bankruptcy Code”); Rule 2016 of the Federal Rules of Bankruptcy Procedure; the Retention Order (as defined below); the Court’s Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedure for Interim Compensation and Reimbursement of Expenses for Professionals and Committee Members (the “Interim Compensation Order”); and the Local Rules for the United States Bankruptcy Court for the District of Delaware, the law firm of Kirkland & Ellis LLP (“K&E”), special corporate and litigation counsel for the debtors and debtors-in-possession (the “Debtors”) in the above-captioned chapter 11 cases, hereby applies for and order allowing it (i) final compensation in the amount of \$882,222.00 for the reasonable and necessary legal services K&E has rendered to the Debtors and (ii) final

¹ The Debtors are the following entities: Focal Communications Corporation, Focal Communications Corporation of California, Focal Communications Corporation of Colorado, Focal Communications Corporation of Connecticut, Focal Communications Corporation of Florida, Focal Communications Corporation of Georgia, Focal Communications Corporation of Illinois, Focal Communications Corporation of Massachusetts, Focal Communications Corporation of Michigan, Focal Communications Corporation of the Mid-Atlantic, Focal Communications Corporation of Minnesota, Focal Communications Corporation of Missouri, Focal Communications Corporation of New England, Focal Communications Corporation of New Jersey, Focal Communications Corporation of New York, Focal Communications Corporation of Ohio, Focal Communications Corporation of Pennsylvania, Focal Communications Corporation of Texas, Focal Communications Corporation of Virginia, Focal Communications Corporation of Washington, Focal Communications Corporation of Wisconsin, Focal Financial Services, Inc., Focal International Corp., Focal Telecommunications Corporation, Focal Equipment Finance, LLC and Focal Fiber Leasing, LLC

reimbursement for the actual and necessary expenses that K&E incurred in the amount of \$28,175.11 (the "Final Application"), in each case for the period from December 20, 2002 through July 1, 2003 (the "Final Fee Period"). In support of this Final Application, K&E respectfully states as follows:

**RETENTION OF AND CONTINUING DISINTERESTEDNESS
OF KIRKLAND & ELLIS LLP**

1. On December 19, 2002 (the "Petition Date"), each of the Debtors filed its respective voluntary petition for relief under the Bankruptcy Code.² Since the Petition Date, the Debtors have been operating their businesses and managing their property as debtors in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

2. By this Court's order dated February 26, 2003, the Debtors were authorized to retain K&E as their counsel, effective as of the Petition Date, with regard to corporate, securities and tax law matters, and certain litigation and related matters (the "Retention Order"). The Retention Order authorizes the Debtors to compensate K&E at K&E's hourly rates charged for services of this type and to be reimbursed for actual and necessary out-of-pocket expenses that it incurred, subject to application to this Court in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, all applicable Local Rules and orders of this Court.

3. As disclosed in the Affidavit of James A. Stempel in Support of the Application to Retain Kirkland & Ellis as Special Corporate and Litigation Counsel for the Debtors, filed on the Petition Date (the "Affidavit"), K&E does not hold or represent any interest adverse to the Debtors or the estates with respect to the matters on which K&E has been retained.

4. Kirkland & Ellis LLP may have in the past represented, may currently represent, and likely in the future will represent parties-in-interest in connection with matters unrelated to the Debtors and these cases. Kirkland & Ellis LLP disclosed in the Affidavit its

² Pursuant to a Court Order entered on December 20, 2002, the Debtors' chapter 11 cases (the "Chapter 11 Cases") were consolidated for administrative purposes only.

connections to parties-in-interest that it has been able to ascertain using its reasonable efforts.

5. Kirkland & Ellis LLP performed the services for which it is seeking compensation on behalf of or for the Debtors and their estates, and not on behalf of any committee, creditor or other person.

6. Except to the extent of the advance payment retainers paid to K&E as described in the Affidavit, K&E has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with these cases.

7. Pursuant to Rule 2016(b) of the Federal Rules of Bankruptcy Procedure, K&E has not shared, nor has agreed to share (a) any compensation it has received or may receive with another party or person other than with the partners, counsel and associates of K&E, or (b) any compensation another person or party has received or may receive.

CASE STATUS

8. On June 20, 2003, the Court entered an order (the "Confirmation Order") confirming the Second Amended Joint Plan of Reorganization of the Debtors Under Chapter 11 of the Bankruptcy Code, as modified (the "Plan"). The Effective Date of the Plan occurred on July 1, 2003.

MONTHLY FEE APPLICATIONS

9. To date, K&E has filed and served three monthly fee applications on the Debtors and other parties-in-interest identified in the Interim Compensation Order. The amounts that K&E has requested in the monthly fee applications and the amounts requested in the Final Application for the Final Monthly Fee Period (as defined below), as compensation for its actual fees and expenses for each month during the pendency of the chapter 11 case, are listed on Exhibit A attached hereto.

10. On May 1, 2003, [Docket No. 566] K&E filed its combined monthly and first quarterly fee application requesting compensation and reimbursement of expenses for the period December 20, 2002 through March 31, 2003 (the "First Monthly Fee Period"), a copy of which is attached hereto as Exhibit B, in which it sought compensation in the amount of \$363,093.00 for actual and necessary services that K&E rendered and reimbursement of actual and necessary expenses that K&E incurred in the amount of \$13,494.61. K&E agreed to reduce its requested fees by \$1,699.50 for certain work performed during the First Monthly Fee Period. K&E has been paid \$289,114.80 (80% of \$361,393.50) of its requested fees and \$13,494.61 of its requested expenses.

11. On June 24, 2003, [Docket No. 929] K&E filed its second monthly fee application requesting compensation and reimbursement of expenses for the period April 1, 2003 through April 30, 2003 (the "Second Monthly Fee Period"), a copy of which is attached hereto as Exhibit C, in which it sought compensation in the amount of \$143,425.00 for actual and necessary services that K&E rendered and reimbursement of actual and necessary expenses that K&E incurred in the amount of \$1,246.03. K&E has been paid \$143,425.00 of its requested fees and \$1,246.03 of its requested expenses.

12. On July 22, 2003, [Docket No. 987] K&E filed its third monthly fee application requesting compensation and reimbursement of expenses for the period May 1, 2003 through May 31, 2002 (the "Third Monthly Fee Period"), a copy of which is attached hereto as Exhibit D, in which it sought compensation in the amount of \$88,927.00 for actual and necessary services that K&E rendered and reimbursement of actual and necessary expenses that K&E incurred in the amount of \$2,154.26. As of the filing of this Final Application, the objection period for the Third Monthly Fee Period has not yet expired, and therefore K&E has not been paid any fees or expenses for the Third Monthly Fee Period.

13. Included in this Final Application is K&E's request for final allowance and

approval of compensation and reimbursement of expenses for the period June 1, 2003 through July 1, 2003 (the "Final Monthly Fee Period"). K&E seeks compensation in the amount of \$288,476.50 for actual and necessary services that K&E rendered and reimbursement of actual and necessary expenses that K&E incurred in the amount of \$11,280.21. Attached hereto as Exhibit E is a detailed itemization and description of the services that K&E rendered during the Final Monthly Fee Period. Exhibit E also includes a detailed itemization and description of the disbursements made by K&E on the Debtors' behalf during the Final Monthly Fee Period. Attached hereto as Exhibit F is a summary of the time spent and fees incurred for each of the Subject Matters (as defined herein) during the Final Monthly Fee Period. Attached hereto as Exhibit G is a summary of the disbursements made by the Debtor for the Final Monthly Fee Period.

**REASONABLE AND NECESSARY SERVICES RENDERED BY
KIRKLAND & ELLIS LLP – GENERALLY**

14. The K&E attorneys who rendered professional services in these cases during the Final Fee Period (December 20, 2002 through July 1, 2003) are:

Name of Professional Person	Position with the Applicant	Year Admitted	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Mazen Asbahi	Associate	2000	Corporate	\$295.00	0.20	\$11,498.00
				\$310.00	36.90	
Salvatore F. Bianca	Associate	Pending	Bankruptcy	\$300.00	10.40	\$9,220.00
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Gregory W. Gallagher	Associate	1997	Taxation	\$415.00	1.30	\$11,462.00
				\$425.00	25.70	
Margaret A. Gibson, P.C.	Partner	1989	Corporate	\$615.00	13.30	\$147,371.50
				\$635.00	219.20	

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Andrew M. Kaufman, P.C.	Partner	1974	Corporate	\$635.00	3.80	\$2,413.00
William S. Kirsch, P.C.	Partner	1981	Corporate	\$665.00	3.50	\$76,102.00
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				\$375.00	6.00	
Thomas Young	Associate	2003	Corporate	\$225.00	70.00	\$15,750.00
Total for Attorneys					1,838.80	\$842,187.00

15. The paraprofessionals of K&E who have rendered professional services in these cases during the Final Fee Period are:

Name of Professional Person	Position with the Applicant and Number of Years in that Position	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
James B. Anderson	Project Assistant 2 Years	Litigation	\$115.00	5.70	\$655.50
Daniel B. Baglio	Case Assistant 2 Years	Bankruptcy	\$105.00	5.50	\$577.50
Barbara A. Beach	Legal Assistant 12 Years	Corporate	\$210.00	14.70	\$3,087.00
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Robert A. Kiburz	Law Clerk 2 Months	Corporate	\$165.00	96.20	\$15,873.00
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Charisma J. Starr	Technology Services 2 Years	Litigation	\$125.00	1.50	\$187.50
Toni L. Wallace	Legal Assistant 2 Years	Bankruptcy	\$150.00	17.00	\$2,550.00
Charlotte L. Westhoff	Project Assistant 6 Months	Bankruptcy	\$110.00	0.30	\$33.00
Kenwyn S. Williams	Legal Assistant 10 Years	Litigation	\$180.00	0.50	\$90.00
Susan L. Woods	Other Billers 1 Year	Administrative Services	\$105.00	4.30	\$451.50
Jennifer A. Wrzesinski	Legal Assistant 3 Years	Litigation	\$135.00	16.80	\$2,268.00
Total for Paraprofessionals				268.80	\$41,734.50

16. The K&E attorneys who rendered professional services in these cases during the Final Monthly Fee Period (June 1, 2003 through July 1, 2003) are:

Name of Professional Person	Position with the Applicant and Year Admitted	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Erin L. Bishop	Associate 1996	Corporate	\$375.00	215.40	\$83,974.50
			\$395.00	8.10	
Christopher Butler	Partner 1989	Corporate	\$560.00	53.50	\$29,960.00
Richard J. Campbell	Partner 1997	Corporate	\$410.00	2.30	\$943.00
Gregory W. Gallagher	Associate 1997	Taxation	\$425.00	2.00	\$850.00
Margaret A. Gibson, P.C.	Partner 1989	Corporate	\$635.00	22.60	\$14,351.00
Stephen Johnson	Partner 1982	Intellectual Property	\$670.00	0.90	\$603.00
Andrew M. Kaufman, P.C.	Partner 1974	Corporate	\$635.00	3.80	\$2,413.00
William S. Kirsch, P.C.	Partner 1981	Corporate	\$685.00	14.00	\$9,590.00

Name of Professional Person	Position with the Applicant and Year Admitted	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Eric F. Leon	Partner 1994	Litigation	\$485.00	0.50	\$242.50
Daniel Lin	Associate 2001	Intellectual Property	\$270.00	4.70	\$1,269.00
Michelle Mulkern	Associate Pending	Corporate	\$225.00	108.30	\$24,367.50
Dennis M. Myers	Partner 1996	Corporate	\$545.00	6.50	\$3,542.50
Jeffrey W. Richards	Partner 1995	Corporate	\$430.00	27.50	\$11,825.00
Pratibha J. Shenoy	Associate 2001	Taxation	\$280.00	5.20	\$1,456.00
James A. Stempel	Partner 1989	Bankruptcy	\$655.00	22.80	\$14,934.00
William E. Tymm	Partner 1970	Corporate	\$570.00	33.80	\$19,266.00
Robert A. Wilson	Associate 1999	Corporate	\$345.00	70.50	\$26,572.50
			\$375.00	6.00	
Thomas Young	Associate 2003	Corporate	\$225.00	67.50	\$15,187.50
Total for Attorneys				675.90	\$261,347.00

These fees are also included in the chart located in paragraph 14 above for the Final Fee Period.

17. The paraprofessionals of K&E who have rendered professional services in these cases during the Final Monthly Fee Period are:

Name of Professional Person	Position with the Applicant and Number of Years in that Position	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Barbara A. Beach	Legal Assistant 12 Years	Corporate	\$210.00	14.70	\$3,087.00
Elizabeth Cox Arnold	Legal Assistant 13 Years	Bankruptcy	\$190.00	2.00	\$380.00
Thaddine Gomez	Legal Assistant 20 Years	Corporate	\$225.00	1.20	\$270.00
Robert A. Kiburz	Law Clerk 2 Months	Corporate	\$165.00	96.20	\$15,873.00
Teresa M. Koziara	Project Assistant 6 Months	Corporate	\$110.00	1.00	\$110.00
Sabrina M. Mitchell	Legal Assistant 1 Month	Bankruptcy	\$120.00	1.10	\$132.00
Catherine M. Simpson	Legal Assistant 3 Years	Corporate	\$145.00	37.50	\$6,662.50
			\$175.00	7.00	
Toni L. Wallace	Legal Assistant 2 Years	Bankruptcy	\$150.00	4.10	\$615.00
Total for Paraprofessionals				164.80	\$27,129.50

These fees are also included in the chart located in paragraph 15 above for the Final Fee Period.

18. Kirkland & Ellis LLP has advised and represented the Debtors in connection with their corporate, securities, tax and certain litigation matters. Furthermore, K&E has performed all of the other professional services that are described in this Application.

19. The rates described above are K&E's hourly rates for services of this type. Based on these rates and the services performed by each individual, the reasonable value of such services is \$882,222.00. The K&E attorneys and paraprofessionals expended a total of 2,107.60 hours for these cases during the Final Fee Period. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount of fees requested is fair and reasonable given: (a) the complexity of these cases; (b) the time expended; (c) the nature and extent of the services rendered; (d) the value of such services and (e) the costs of comparable services other than in a case under the Bankruptcy Code.

20. Further, the detailed invoices attached to each monthly fee application and Exhibit E hereto (a) identifies the individuals that rendered services in each Subject Matter (as defined below); (b) describes each activity or service that each individual performed; and (c) states the number of hours (in increments of one-tenth of an hour) spent by each individual providing the services. Each individual invoice corresponds to a matter name and number that K&E assigned to the Subject Matters (as defined and described below).

**REASONABLE AND NECESSARY SERVICES RENDERED BY KIRKLAND & ELLIS
CATEGORIZED BY MATTER**

21. The professional services that K&E rendered during the Fee Period are grouped into the numbered and titled categories of Subject Matters (the "Subject Matter(s)") described in Paragraphs 22 through 32 herein.

22. Matter 3 – Securities Matters

(Fees: \$59,922.00; Hours: 107.70)

This Subject Matter consists of time spent reviewing and advising the Debtors on disclosure issues from a securities law perspective and reviewing and preparing comments on public

documents, reviewing various securities law filings, including the Debtors' 10k and certain 13D filings, and discussing and drafting disclosure regarding DTC account and distribution mechanics.

23. Matter 4 – MCI WorldCom

(Fees: \$20,845.00; Hours: 52.00)

This Subject Matter consists of time spent advising the Debtors in connection with pending litigation (including injunctive relief) in the WorldCom chapter 11 proceedings.

24. Matter 6 – MD Teleservices, Inc. vs. Client

(Fees: \$1,468.50; Hours: 3.30)

This Subject Matter consists of time spent on strategy, potential settlement and other discussions relating to the dispute between the Debtors and MD Teleservices.

25. Matter 15 – Corporate Matters

(Fees: \$673,722.50; Hours: 1,612.50)

This Subject Matter includes time spent on advising the Debtors and documenting the agreements containing terms and conditions emanating from discussions with the secured creditors and official committee of unsecured creditors, including the exit credit facility agreement and the related documents, charter documents and bylaws, the investor rights agreement, warrant agreement, and option plan and employment agreements. In addition, this Subject Matter includes time spent (a) advising the Debtors and drafting various employment agreements and management option plans and other equity arrangements; (b) attending to other corporate governance issues; (c) reviewing and preparing comments to a waiver from the Debtors' senior secured lenders; (d) discussing, reviewing and revising documents with NTFC; and (e) reviewing and addressing issues and agreements relating to the Debtor's exit financing.

26. Matter 22 – K&E Retention

(Fees: \$41,904.50; Hours: 94.10)

This Subject Matter includes time spent preparing the application and affidavit seeking authority to retain Kirkland & Ellis LLP as special counsel to the Debtors, discussing

revisions to the scope of such retention with counsel to the creditors' committee and United States Trustee, preparing for and attending hearings on the application to retain Kirkland & Ellis, and reviewing and discussing the Debtors' response to the objections to such application.

27. Matter 25 – Fee Applications – K&E

(Fees: \$9,849.00; Hours: 32.60)

This Subject Matter consists of time spent preparing Kirkland & Ellis LLP's monthly fee applications, including the exhibits thereto.

28. Matter 41 – Tax Issues

(Fees: \$23,227.50; Hours: 55.30)

This Subject Matter includes time spent reviewing and discussing appropriate disclosure with respect to tax ramifications of the proposed restructuring, analyzing and advising the Debtors with respect to franchise tax issues and structural issues under the proposed plan of reorganization, including Net Operating Losses, and tax issues relating to management equity arrangements.

29. Matter 42 – Travel

(Fees: \$2,786.00; Hours: 5.20)

This Subject Matter (billed at ½ time) consists of fees and expenses incurred in connection with necessary travel to hearings and meetings during these chapter 11 cases.

30. Matter 47 – StarNet Communications

(Fees: \$458.50; Hours: 0.70)

This Subject Matter consists of reviewing a draft motion to compel for potential filing against StarNet.

31. Matter 48 – Transitional Services

(Fees: \$41,212.00; Hours: 81.10)

This Subject Matter includes attention to a variety of matters from the period immediately following the Petition Date through and including January 17, 2003 in connection with the efficient transition to Pachulski, Stang, Ziehl, Young, Jones & Weintraub, the Debtors' general bankruptcy counsel, of assignments on which Kirkland & Ellis attorneys were providing services immediately prior to the Petition Date. Such matters included (i) reviewing and revising disclosure statement and plan documents; (ii) reviewing and discussing treatment of various creditor constituencies in the plan; (iii) participating in conference calls regarding background with respect to bank group, NTFC, convertible noteholders and corporate structure; (iv) analyzing and discussing executory contract lists and strategies; and (v) participating in conferences regarding creditors' committee requests and positions.

32. Matter 49 – Document Production/Litigation Support

(Fees: \$8,526.00; Hours: 62.80)

This Subject Matter covers support services for document production with respect to contested matters with certain utility carriers.

ACTUAL AND NECESSARY EXPENSES

33. It is K&E's policy to charge its clients in all areas of practice for identifiable, non-overhead expenses incurred in connection with the client's case that would not have been incurred except for representation of that particular client. It is also K&E's policy to charge its clients only the amount actually incurred by K&E in connection with such items. Examples of such expenses are postage, overnight mail, courier delivery, transportation, overtime expenses, computer assisted legal research, photocopying, out-going facsimile transmissions, airfare, meals and lodging.

34. In order to ensure the compliance with all applicable deadlines in these highly complex Chapter 11 Cases, K&E utilizes the services of overtime secretaries. K&E charges fees for these services pursuant to the prepetition engagement arrangements between K&E and the Debtors,

which permits K&E to bill the Debtors for overtime secretarial charges that arise out of business necessity. In addition, because of the almost constant attention K&E professionals must give to these Chapter 11 Cases, K&E professionals also may charge their overtime meals and overtime transportation to the Debtors consistent with prepetition practices.

35. K&E charges: (a) \$0.10 per page for duplication and (b) \$0.75 per page for outgoing telecopier transmissions (plus related toll charges). K&E does not charge its clients for incoming telecopier transmissions. K&E has negotiated a discounted rate for Westlaw computer assisted legal research, which is approximately \$125/hour of online use of the standard Westlaw databases. Computer assisted legal research is used whenever the researcher determines that using Westlaw is more cost effective than using traditional (non-computer assisted legal research) techniques.

36. A detailed itemization and description of the disbursements made by K&E on the Debtors' behalf during the Fee Period, is attached to each monthly fee application and Exhibit E hereto. All of these disbursements comprise the requested sum for K&E's out of pocket expenses, totaling \$28,175.11.

REPRESENTATIONS

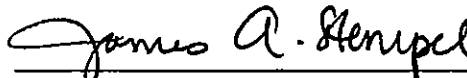
37. K&E expects that this will be K&E's final fee application. Although every effort has been made to include all fees and expenses from the Final Fee Period in this Application, some fees and expenses from the Final Fee Period might not be included in this application due to delays caused by accounting and processing procedures. Kirkland & Ellis LLP reserves the right to make further application to the Court for allowance of fees and expenses not included herein. K&E will submit subsequent fee applications at a later date in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the procedures established by this Court, and the Interim Compensation Order to request payment of fees and expenses incurred after July 1, 2003.

38. In summary, by this Final Application, K&E requests final allowance and compensation for fees and expenses in the total amount of \$910,397.11 consisting of (a) \$882,222.00 for reasonable and necessary professional services rendered and (b) \$28,175.11 for actual and necessary costs and expenses, of which \$491,801.67 in the aggregate amount of (a) and (b) above has not been previously paid.

WHEREFORE, K&E requests an entry of an order (a) allowing K&E on the final basis (i) compensation in the amount of \$882,222.00 for the reasonable and necessary legal services K&E has rendered to the Debtors and (ii) reimbursement in the amount of \$28,175.11 for the actual and necessary expenses that K&E incurred for the Final Fee Period; (b) authorizing and directing the Debtors to pay K&E on the final basis (i) compensation in the amount of \$478,367.20 for the reasonable and necessary legal services K&E has rendered to the Debtor and (ii) reimbursement in the amount of \$13,434.47 for the actual and necessary expenses that K&E incurred for the Final Fee Period; and (c) deeming all compensation and expenses previously paid by the Debtors in the total amounts of \$403,854.80 and \$14,740.64 respectively, approved as final.

Dated: July 31, 2003

Respectfully submitted,
KIRKLAND & ELLIS LLP



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by permission
