

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:)
) Chapter 11
GENUITY, INC., et al.,)
) **Case Nos. 02-43558 (PCB)**
)
 Debtors.) (Jointly Administered)

**FINAL APPLICATION OF ERNST & YOUNG LLP FOR
2002 AUDIT AND TAX SERVICES COMPENSATION AND REIMBURSEMENT
OF EXPENSES**

Name of applicant: Ernst & Young LLP

Authorized to Provide
Professional Services to: Genuity, Inc., et al.

Date of Retention: February 11, 2003 (Order Entered: March 25, 2003)

Period for which compensation
and reimbursement is sought: March 11, 2003 through October 31, 2003

Amount of Compensation requested: \$771,573

Amount of Expense Reimbursement
requested: \$10,143

This is an: Interim X final application

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

| | | |
|-------------------------------|---|---------------------------------|
| In re: |) | |
| |) | Chapter 11 |
| GENUITY, INC., et al., |) | |
| |) | Case Nos. 02-43558 (PCB) |
| |) | |
| Debtors. |) | (Jointly Administered) |

**FINAL APPLICATION OF ERNST & YOUNG LLP FOR
2002 AUDIT AND TAX SERVICES COMPENSATION AND REIMBURSEMENT
OF EXPENSES**

This application (the “Application”) of auditor for Genuity, Inc., et al., (the “Company”), is made by the professional service firm of Ernst & Young LLP (the “Applicant”). In support hereof, the Applicant respectfully represents as follows:

**I. RETENTION OF APPLICANT, DISCLOSURE OF COMPENSATION AND
REQUESTED AWARD**

1. The Company commenced this case on November 27, 2002 (the “Petition Date”) by filing petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). By Order dated March 25, 2003 (the “Retention Order”), the Court authorized the Company to retain the Applicant as of such date, as its auditors in this case. The Retention Order conditioned the Applicant’s compensation on approval by this Court.

2. Accordingly, the Applicant submits the Application pursuant to sections 328, 330, 331, and 503(b) of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure (“the “Bankruptcy Rules”) and in accordance with the U.S. Department of Justice, Executive Office for United States Trustee’s Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses filed under 11 U.S.C. §330 (“the Guidelines”).

3. The Applicant has previously submitted four monthly fee statements for audit services billed between March 11, 2003 and June 27, 2003 and five additional fee statements for audit and tax services billed between August 18, 2003 and October 31, 2003. Fees and expenses under these applications totaled \$771,573 and \$10,143, respectively, of which \$743,702 has been paid. In connection with this final fee application, the Applicant seeks allowance of the total fees and expenses requested.

4. The Applicant understands that the Debtors have been and/or will be reimbursed by Level 3 Communications, LLC and/or one its affiliates (collectively, “Level 3”) for a significant majority (\$731,139) of the audit fees and expenses requested in this Application.

5. This request is the Applicants final application to the Court for compensation and reimbursement of expenses for 2002 audit and tax professional services. These audit and tax professional services have been performed at the request of

the Company. No understanding exists between the Applicant and any other person for a sharing of the compensation sought by the Application.

6. In accordance with the Guidelines, the following are annexed to the Application:

1. Summary of Professional Audit and Tax Hours and Fees
2. First Application of Ernst & Young LLP for Interim 2002 Audit Compensation and Reimbursement of Expenses
3. Fee Reimbursements submitted subsequent to filing of First Application per Item 2 above, as follows:
 - 3a. Billing for audit of Genuity Savings Plan for year ended December 31, 2003.
 - 3b. Detail of Professional Hours and Fees with Descriptions of Work for Invoice provided in Items 3a. above.
 - 3c. Billing for Expatriate tax services provided for the period May 1 - August 2003.
 - 3d. Billing for Expatriate tax services provided for the period September 1 – October 17, 2003.
 - 3e. Detail of Professional Hours and Fees with Descriptions of Work for Invoices provided in Items 3c. and 3d. above.
 - 3f. Billing for tax services for the preparation of certain tax returns of Genuity Inc. for 2002.

3g. Detail of Professional Hours and Fees with Descriptions of Work for Invoice provided in Item 3f above.

3h. Billing for testimony provided as a fact witness at a deposition related to certain disputed matters between Genuity Inc. and Level 3 Communications.

3i. Detail of Professional Hours and Fees with Descriptions of Work for Invoice provided in Item 3h. above.

7. The Applicant has expended a total of 3,189.6 hours during the period covered by the application in rendering necessary and beneficial auditing and tax services to the Company. In accordance with the Court-approved audit and tax engagement letters, the Applicant incurred \$771,573 in fees at a blended bill rate of \$242 per hour. Under the engagement letters, the Applicant agreed to bill such amounts for the work incurred on the audit and tax services during the period covered by this application. Exhibit I contains a list of the Applicant's professionals who have provided the subject services to the Company during the Application Period, the hourly rate charged by each, and a summary of time expended by each.

8. The Applicant has applied for reimbursement of actual and necessary out-of-pocket disbursements in accordance with section 330 (a) (2) of the Bankruptcy Code, the Bankruptcy Rules and the Guidelines. The expenses of \$10,143 were actual and necessary expenses incurred by the applicant in connection with its services to the Company.

II. DESCRIPTION OF SERVICES

9. A description of the principal services provided by the Applicant, which were at the request of the Company and counsel to the Company, during the Application Period is as set forth below:

◦

**Audit and Report on the consolidated financial statements of
Genuity, Inc., et al., and the financial statements of the Genuity
Savings Plan**

10. In the normal course of business, the Company's year-end consolidated financial statements for 2002 were to be audited by the Applicant. As of the date of retention of the Applicant, the audit of the 2002 Consolidated financial statements had been initiated by the Applicant. The Applicant was engaged by the Company to perform the audit due to the Debtor's contractual obligation pursuant to the purchase and sale agreement with Level 3 Communications. We have also audited and reported on the financial statements and supplemental schedule of the Genuity Savings Plan ("the Plan") for the year ended December 31, 2002, which were to be included in the Plan's Form 5500 filing with the Department of Labor's Pension and Welfare Benefits Administration.

11. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting

principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Also included is time spent related to the audit in providing accounting services such as advice on accounting for specific transactions, preparation of financial statements and other accounting related issues. Specific accounting and audit related services provided during the Application Period Included:

- a. Planning for the audit of the financial statements, including evaluation of the scope of the audit testing to be performed, determination of the audit risk of specific accounts, review the Debtor's accounting and record keeping procedures and systems in numerous areas, documenting findings, and determination, evaluation and testing of internal controls affecting the systems and procedures;
- b. Analytical review and testing of certain account balances;
- c. Testing accuracy and consistency of financial statements and disclosures against generally accepted accounting principles ("GAAP")

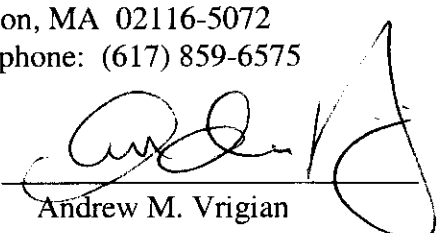
Tax Services to Genuity Inc. for the year ended December 31, 2002

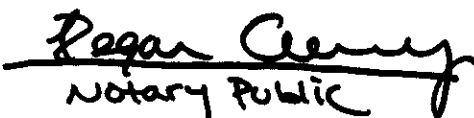
- d. E&Y performed certain tax services for specified expatriate employees of Genuity Inc, including preparation of the annual basic U.S. Federal income tax returns and state and local basic income tax returns. These services also included preparation of annual tax reimbursement calculations, quarterly estimated tax payment requests, tax extension requests and annual basic foreign tax return of host country, as appropriate.
- e. E&Y also performed tax compliance services for Genuity Inc. for the preparation of the U.S. Federal tax Form 5471's, Information Return of U.S. Persons with Respect to Certain Corporations for the year ended December 31, 2002.

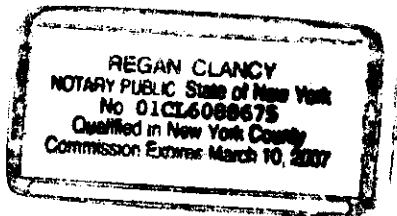
WHEREFORE the Applicant respectfully requests the Court to enter an order (i) awarding the Applicant the sum of \$771,573 for audit and tax services rendered for the period from March 11, 2003 through November 30, 2003 and \$10,143 for reimbursement for actual and necessary expenses incurred during the course of the Applicants provision of professional services to the Company during the Application Period; (ii) authorizing and directing the Company to pay the Applicant as compensation 100% of the amount of the audit and tax services and expenses and (iii) granting such other and further relief as the Court deems appropriate.

Dated: December 20, 2003

Ernst & Young LLP
Accountants for
Genuity, Inc., et al.,
200 Clarendon Street
Boston, MA 02116-5072
Telephone: (617) 859-6575

BY: 
Andrew M. Vrigian
Partner


Notary Public



ATTACHMENT 1

| Time Summary by Person | | | | | |
|--|--|---------------------|---------------|--------|-------------------|
| 2002 Audit and Tax Services Provided to Genuity Inc. | | | | | |
| Period from March 11, 2003 through October 31, 2003 | | | | | |
| | Individual | Level | Hours | Rate | Fees |
| Partner | | | | | |
| | Vrigan, A. | Partner | 212 | \$ 484 | \$ 102,608 |
| | Golz, K. | Partner | 15 | 484 | 7,260 |
| | Nurczynski, P. | Partner | 41 | 484 | 19,844 |
| | Osborne, M. | Partner | 3 | 484 | 1,452 |
| | Hohl, K. | Partner | 1 | 484 | 484 |
| | Smith, G. | Partner | 3 | 484 | 1,452 |
| | Vicidomino, J. | Partner | 1 | 484 | 484 |
| | Wragg, S. | Tax Partner | 5 | 511 | 2,556 |
| | Wragg, S. | Tax Partner | 7 | 484 | 3,388 |
| | | | 288 | | \$ 139,528 |
| | | | | | Sub-Total |
| Principal | | | | | |
| | Boivin, S. | Employee Benefits | 8 | \$ 484 | \$ 3,872 |
| | Fiedling, E. | Tax Principal | 1 | \$ 428 | \$ 428 |
| | Maio, T. | Corporate Finance | 1 | 428 | 428 |
| | | Valuation Principal | | | |
| | | | 10 | | \$ 4,728 |
| | | | | | Sub-Total |
| Sr. Manager | | | | | |
| | Languirand, P. | Sr. Manager | 288.5 | \$ 388 | \$ 111,938 |
| | Aldridge, J. | Tax Sr. Manager | 97.5 | 388 | 37,830 |
| | Aldridge, J. | Tax Sr. Manager | 8 | 450 | 3,600 |
| | Tiedeman, F. | Tax Sr. Manager | 5 | 450 | 2,250 |
| | Greene, M. | TSRS Sr. Manager | 10.5 | 388 | 4,074 |
| | Ramlukan, R. | TSRS Sr. Manager | 12 | 388 | 4,656 |
| | | | 421.5 | | \$ 164,348 |
| | | | | | Sub-Total |
| Manager | | | | | |
| | Young, K | TSRS Manager | 29 | \$ 288 | \$ 8,352 |
| | Carr, R. | Employee Benefits | 25 | \$ 288 | 7,200 |
| | Gove, D. | Tax Manager | 1.2 | \$ 288 | 346 |
| | Chardain, E. | Tax Manager | 9.8 | \$ 288 | 2,822 |
| | Maher, C. | Manager | 356.5 | 288 | 102,672 |
| | Reinert, K. | Manager | 165 | 288 | 47,520 |
| | | | 586.5 | | 168,912 |
| | | | | | Sub-Total |
| Senior | | | | | |
| | Martin, C. | Senior | 481.5 | \$ 212 | 102,078 |
| | Dorman, J. | Senior | 6 | 212 | 1,272 |
| | Kretschmann, K. | Senior | 9 | 212 | 1,908 |
| | Brinton, L. | Senior | 3 | 212 | 636 |
| | Xiao, L. | TSRS Senior | 107 | 212 | 22,684 |
| | Towne, J. | TSRS Senior | 44 | 212 | 9,328 |
| | Zachas, L. | Tax Senior | 26.1 | 288 | 7,517 |
| | Zizza, K. | Tax Compliance S | 14.4 | 215 | 3,096 |
| | Sato, J. | Tax Compliance S | 0.5 | 207.5 | 104 |
| | Rotondi, D. | Tax Compliance S | 12.3 | 197 | 2,423 |
| | ISAC Senior | Senior | 16.3 | 212 | 3,456 |
| | | | 720.1 | | 154,501 |
| | | | | | Sub-Total |
| Staff I & II | | | | | |
| | Mabey, S. | Staff II | 96 | \$ 128 | 12,288 |
| | McGrath, P. | Staff II | 379 | 128 | 48,512 |
| | Jachem, C. | Staff II | 58 | 128 | 7,424 |
| | Lefebvre, E. | Staff II | 68 | 128 | 8,704 |
| | Sullivan, M. | Staff II | 94.5 | 128 | 12,096 |
| | Woodard, C. | Staff II | 106 | 128 | 13,568 |
| | Maynard, S. | Staff II | 16 | 128 | 2,048 |
| | Parenteau, S. | Staff II | 1 | 128 | 128 |
| | Jiang, H. | Tax Compliance S | 48 | 106 | 5,088 |
| | Isakson, H. | Staff I | 187 | 100 | 18,700 |
| | Lang, K. | Staff I | 106 | 100 | 10,600 |
| | Corrairie, A. | Staff I | 4 | 100 | 400 |
| | | | 1163.5 | | 139,556 |
| | | | | | Sub-Total |
| | Total For Partner through Staff | | 3189.6 | | \$ 771,573 |
| | Out of pocket expenses: | | | | |
| | | Courier | | | 55 |
| | | Mileage | | | 8,096 |
| | | Meals | | | 828 |
| | | Lodging | | | 854 |
| | | Telephone | | | 310 |
| | | | | | 10,143 |
| | | | | | \$ 781,716 |
| | | | | | Total |

ATTACHMENT 2

Hearing Date: September 17, 2003, at 2:30 p.m. New York Time
Objections Due: September 10, 2003 at 12 noon Eastern Time

ROPES & GRAY LLP
45 Rockefeller Plaza
New York, NY 10111
(212) 841-5700

and

ROPES & GRAY LLP
One International Place
Boston, MA 02110-2624
(617) 951-7000
William F. McCarthy (WM-1669)
Don S. DeAmicis (DD-2242)
D. Ross Martin (DM-2947)
Erin T. Fontana (EF-7124)

Attorneys for Genuity Inc., et al.,
Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

| | | |
|-------------------------------|---|-------------------------|
| | x | |
| ----- | : | |
| | : | Chapter 11 |
| In re: | : | |
| | : | Case No. 02-43558 (PCB) |
| GENUITY INC., <u>et al.</u> , | : | |
| | : | (Jointly Administered) |
| Debtors. | : | |
| | x | |
| ----- | | |

**NOTICE OF FILING OF FIRST APPLICATION OF ERNST & YOUNG LLP
FOR INTERIM 2002 AUDIT COMPENSATION
AND REIMBURSEMENT OF EXPENSES**

PLEASE TAKE NOTICE that on August 22, 2003, Ernst & Young LLP
("E&Y") filed its First Application for Interim 2002 Audit Compensation and
Reimbursement of Expenses (the "Application"), attached hereto as Exhibit A.

PLEASE TAKE FURTHER NOTICE that a hearing on the Application will take

place before the Honorable Prudence C. Beatty, United States Bankruptcy Court, Southern District of New York, One Bowling Green, New York, New York, 10004-1408, in Courtroom 701 on September 17, 2003 at 2:30 p.m. New York Time.

PLEASE TAKE FURTHER NOTICE that responses or objections to the Application must be filed with the Court and served upon the necessary parties in accordance with the procedures set forth below so as to be received no later than September 10, 2003 at 12 noon New York Time. Any and all objections or responses must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and Local Rules of the Bankruptcy Court, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (General Order M-242 and the User's Manual for the Electronic Case Filing System can be found at www.nysb.uscourts.gov), by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, on a 2.5 inch disk, preferably in Portable Document Formant (PDF), WordPerfect or any other Windows-based word processing format (with a hard-copy delivered directly to Chambers), and shall be served in accordance with the Bankruptcy Court's Order Under 11 U.S.C. §§ 102 and 105 and Fed. R. Bankr. P. 2002, 9006 and 9007 Establishing Certain Notice, Case Management and Administrative Procedures, dated December 2, 2002, upon: (i) the Debtors, 225 Presidential Way, Woburn, MA 01801, Attn: Mark Hileman; (ii) Ropes & Gray, Attorneys for Debtors and Debtors in Possession, One International Place, Boston, Massachusetts, Attn: Don S. DeAmicis, (iii) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Brian Masumoto, Esq., (iv) Kramer Levin Naftalis & Frankel, LLP, counsel for the Official Committee of Unsecured Creditors, 919 Third

Avenue, New York, New York 10022, Attn: David Feldman, (v) Shearman & Sterling, counsel to JP Morgan Chase Bank, Administrative Agent under the Amended and Restated Credit Agreement dated September 24, 2001, 599 Lexington Avenue, New York, New York 10022, Attn: Douglas P. Bartner, (vi) Securities and Exchange Commission, 233 Broadway, Suite 1300, New York, New York 10279, Attn: Bankruptcy Department and Securities and Exchange Commission, 15th and Pennsylvania Ave., NW, Washington, DC 20020, Attn: Michael Berman, (vii) Internal Revenue Service, 290 Broadway, New York, New York 10007, Attn: Bankruptcy Department, (vii) other government agencies to the extent required by the Bankruptcy Code, 11 U.S.C. §§ 101, et seq., and both the Local and Federal Rules of Bankruptcy Procedure; (ix) all parties having filed a notice of appearance and request for notices under Rule 2002 of the Federal Rules of Bankruptcy Procedure, and (x) Latham & Watkins LLP, Attorneys for Ernst & Young, LLP, 885 Third Avenue, Suite 1000, New York, New York 10022-4802, Attn: Roland Young.

Dated: Boston, Massachusetts
August 22, 2003

ROPES & GRAY LLP

/s/ Erin T. Fontana
William F. McCarthy (WM-1669)
Don S. DeAmicis (DD-2242)
D. Ross Martin (DM-2947)
Erin T. Fontana (EF-7124)
ROPES & GRAY LLP
One International Place
Boston, MA 02110-2624
(617) 951-7000

and

45 Rockefeller Plaza
New York, NY 10111
(212) 841-5700

Attorneys for Genuity Inc., et al.,
Debtors and Debtors-in-Possession

Exhibit A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

In re:)
) Chapter 11
GENUITY, INC., et al.,)
) Case Nos. 02-43558 (PCB)
)
Debtors.) (Jointly Administered)

**FIRST APPLICATION OF ERNST & YOUNG LLP FOR INTERIM
2002 AUDIT COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Name of applicant: Ernst & Young LLP

Authorized to Provide
Professional Services to: Genuity, Inc., et al.

Date of Retention: February 11, 2003 (Order Entered: March 25, 2003)

Period for which compensation
and reimbursement is sought: March 11, 2003 through June 27, 2003

Amount of Compensation requested: \$721,338.00

Amount of Expense Reimbursement
requested: \$9,801.00

This is an: 1st Interim _____ final application

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

| | | |
|-------------------------------|---|---------------------------------|
| In re: |) | |
| |) | Chapter 11 |
| GENUITY, INC., et al., |) | |
| |) | Case Nos. 02-43558 (PCB) |
| |) | |
| Debtors. |) | (Jointly Administered) |

**FIRST APPLICATION OF ERNST & YOUNG LLP FOR INTERIM
2002 AUDIT COMPENSATION AND REIMBURSEMENT OF EXPENSES**

This application (the "Application") of auditor for Genuity, Inc., et al., (the "Company"), is made by the professional service firm of Ernst & Young LLP (the "Applicant"). In support hereof, the Applicant respectfully represents as follows:

**I. RETENTION OF APPLICANT, DISCLOSURE OF COMPENSATION AND
REQUESTED AWARD**

1. The Company commenced this case on November 27, 2002 (the "Petition Date") by filing petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). By Order dated March 25, 2003 (the "Retention Order"), the Court authorized the Company to retain the Applicant as of such date, as its auditors in this case. The Retention Order conditioned the Applicant's compensation on approval by this Court.

2. Accordingly, the Applicant submits the Application pursuant to sections 328, 330, 331, and 503(b) of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure (“the “Bankruptcy Rules”) and in accordance with the U.S. Department of Justice, Executive Office for United States Trustee’s Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses filed under 11 U.S.C. §330 (“the Guidelines”).

3. The Applicant has previously submitted four monthly fee statement for audit services billed between March 11, 2003 and June 27, 2003 and has requested payment of 80% of the fees and 100% of expenses for such applications. Fees and expenses under these applications totaled \$721,338.00 and \$9,801.00, respectively, of which \$336,231.00 has been paid. In connection with this first interim fee application, the Applicant seeks allowance of the total fees and expenses requested during this interim period and the 20% holdback.

4. The Applicant understands that the Debtors have been and/or will be reimbursed by Level 3 Communications, LLC and/or one of its affiliates (collectively, “Level 3”) for all of the fees and expenses requested in this Application.

5. This request is the Applicants first interim application to the Court for compensation and reimbursement of expenses for 2002 audit services. The audit services have been performed at the request of the Company. No understanding exists between the Applicant and any other person for a sharing of the compensation sought by the Application.

6. In accordance with the Guidelines, the following are annexed to the Application:

1. Summary of Professional Audit Hours and Fees
2. Detail of Professional Hours and Fees with Descriptions of work performed, as follows:
 - 2a. Period from March 11, 2003 through March 28, 2003
 - 2b. Period from March 29, 2003 through May 2, 2003
 - 2a. Period from May 3, 2003 through May 31, 2003
 - 2a. Period from May 31, 2003 through June 27, 2003

7. The Applicant has expended a total of 2,990.8 hours during the period covered by the application in rendering necessary and beneficial auditing services to the Company. In accordance with the Court-approved audit engagement letter, the Applicant incurred \$721,338 in fees at a blended bill rate of \$241 per hour. Under the engagement letter, the Applicant agreed to bill such amounts for the work incurred on the audit during the period covered by this application. Exhibit 1 contains a list of the Applicant's professionals who have provided the subject services to the Company during the Application Period, the hourly rate charged by each, and a summary of time expended by each. Exhibit 2 contains a daily description of the services rendered and the hours expended by the professional of the Applicant who performed services in each case.

8. The Applicant has applied for reimbursement of actual and necessary out-of-pocket disbursements in accordance with section 330 (a) (2) of the Bankruptcy Code,

the Bankruptcy Rules and the Guidelines. The expenses of \$9,801 were actual and necessary expenses incurred by the applicant in connection with its services to the Company.

II. DESCRIPTION OF SERVICES

9. A description of the principal services provided by the Applicant, which were at the request of the Company and counsel to the Company, during the Application Period is as set forth below:

Audit and Report on the consolidated financial statements of

Genuity, Inc., et al.,

10. In the normal course of business, the Company's year-end consolidated financial statements for 2002 were to be audited by the Applicant. As of the date of retention of the Applicant, the audit of the 2002 Consolidated financial statements had been initiated by the Applicant. The Applicant was engaged by the Company to perform the audit required by the Debtor's various lending agreements and public filing requirements.

11. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet presentation. Also included is time spent related to the audit in providing accounting services such as advice on accounting for specific transactions, preparation of financial statements and other accounting related issues. Specific accounting and audit related services provided during the Application Period Included:

1. Planning for the audit of the financial statements, including evaluation of the scope of the audit testing to be performed, determination of the audit risk of specific accounts, coordination of procedures at locations other than the Debtor's headquarters, review the Debtor's accounting and record keeping procedures and systems in numerous areas, documenting findings, and determination, evaluation and testing of internal controls affecting the systems and procedures;
2. Analytical review and testing of certain account balances;
3. Testing accuracy and consistency of financial statements and disclosures against generally accepted accounting principles ("GAAP")

WHEREFORE the Applicant respectfully requests the Court to enter an order (i) awarding the Applicant the sum of \$721,338 for audit services rendered for the period from March 11, 2003 through June 27, 2003 and \$9,801 for reimbursement for actual and necessary expenses incurred during the course of the Applicants provision of accounting services to the Company during the Application Period; (ii) authorizing and directing the Company to pay the Applicant as interim compensation 100% of the amount of the audit services and expenses and (iii) granting such other and further relief as the Court deems appropriate.

Dated: August 20, 2003

Ernst & Young LLP
Accountants for
Genuity, Inc., et al.,
200 Clarendon Street
Boston, MA 02116-5072
Telephone: (617) 859-6575

BY: /s/ Andrew M. Vrigian
Andrew M. Vrigian
Partner

INVOICE NUMBER: 21939862
INVOICE DATE: August 18, 2003

Mr. Steven N. Avruch, Esq. (rep. Debtors)
 Genuity Inc.
 235 Presidential Way
 Woburn, MA 01801

PLEASE REMIT TO:
 PNC Bank
 ERNST & YOUNG LLP
 P.O. Box 827006
 Philadelphia, PA 19182-7006
 EIN: 34-6565596

BU: US009 **CLIENT:** Genuity Inc.

Final billing for professional services rendered in connection with the audit of the financial statements of the Genuity Savings Plan for the year ended December 31, 2002.
 Total due **\$14,471**

We have provided the following detail of hours, rates and fees by individual as required by the Administrative Order dated January 7, 2003 regarding procedures for compensation and reimbursement of expenses of professionals. As an attachment we have provided a breakdown, by person, of the work performed and the hours incurred. The following is a summary of that detail. This invoice reflects billings for the period from April 1, 2003 through July 31, 2003 (date financial statements issued).

| <u>Individual</u> | <u>Level</u> | <u>Hours</u> | <u>Rate</u> | <u>Fees</u> |
|------------------------|--------------|--------------|-------------|-----------------|
| Boivin, S. | Principal | 8.0 | \$ 484 | \$ 3,872 |
| Vicidomino, J. | Partner | 1.0 | 484 | 484 |
| Carr, R. | Manager | 25 | 288 | 7,200 |
| Gove, D. | Tax Manager | 1.2 | 288 | 346 |
| Maynard, S. | Staff II | 16 | 128 | 2,048 |
| Coraine, A. | Staff I | 4.0 | 100 | 400 |
| | | <u>55.2</u> | | <u>14,350</u> |
| Out of pocket expenses | | | | 121 |
| Mileage | | | | 121 |
| | | | | <u>\$14,471</u> |

Copies to:
 Don S. DeAmicis, Esq. (rep. Counsel for Debtors)
 Ropes & Gray
 One International Place
 Boston, MA 02110

PLEASE PAY BY INVOICE NUMBER AND ENCLOSE A COPY
 DUE UPON RECEIPT



Mr. Brian Masumoto (U.S. Trustee Office)
United States Trustee
33 Whitehall Street
Suite 2100
New York, NY 10004

David M. Feldman, Esq. (counsel for Official Committee of Unsecured
Creditors)
Kramer Levin Naftalis & Frankel LLP
919 Third Avenue
New York, NY 10022

PLEASE PAY BY INVOICE NUMBER AND ENCLOSE A COPY
DUE UPON RECEIPT

**401(k) Audit
GENUITY INC.**

ATTACHMENT 3b



| | | | | |
|---------------|-------------------------------------|--------------------------|--------------------|---|
| Principal | Boivin, Steven | 07/16/2003 | 3.0 | Review of audit planning and investments |
| Principal | Boivin, Steven | 07/25/2003 | 4.0 | Finish review of contributions, benefit payments, participant data testing and report folder, including report, and clearing review notes |
| Principal | Boivin, Steven Boivin Total | 07/28/2003 | 1.0 8.0 | Final review of report |
| Partner | Vicidomino, Joe Vicidomino Total | 07/28/2003 | 1.0 1.0 | Independent Review |
| Staff I | Coraine, Anthony Coraine Total | 07/24/2003 | 4.0 4.0 | Assist in the audit wrap-up, including final cross reference of workpapers to the financial statements |
| Staff II | Maynard, Sandi Maynard Total | 06/16/2003 06/17/2003 | 8.0 8.0 16.0 | Testing of benefit and loan payments Testing of participant data. Update permanent file. |
| Tax Manager | Gove, Dave Gove Total | | 1.2 1.2 | Required tax review of 401k Plan |
| Audit Manager | Carr, Richard | 06/27/2003 | 4.0 | Complete planning including finalization of the ASM, CRA, and ICFC. |
| | | 06/28/2003 | 4.0 | Detail review of benefit payments and participant data testing. |
| | | 07/03/2003 | 4.0 | Complete testing procedures for investments. Review of financial statements and permanent file. |
| | | 07/10/2003 | 3.0 | Preparation of management representation letter and legal letter. |
| | | 07/11/2002 | 3.0 | Clear review notes |
| | | 07/12/2003 | 2.0 | Preparation of tax qualification checklist |
| | | 07/25/2003 | 5.0 | Complete report folder including preparation of the RAS, SRM, GAAP checklist, finalization of the PGAP. Clear review notes. |
| | Carr Total | | 25.0 | |
| | Total engagement | | 55.2 | |

INVOICE NUMBER: 21956097

INVOICE DATE: September 8, 2003

Mr. Steven Avruch
Genuity, Inc.
235 Presidential Way
M/S 26/41a
Woburn, MA 01888

PLEASE REMIT TO:
PNC Bank
ERNST & YOUNG LLP
P.O. Box 827006
Philadelphia, PA 19182-7006
EIN: 34-6565596

BU: US009

CLIENT: 11051486 / 11051482

Billing for professional Human Capital services for the period May 1 – August, 2003:

Robert Cosgrove

Discussion between Bob Cosgrove, Amy Siblic and Eva Chardain regarding the settlement of Bob's 2001 tax equalization calculation. \$200

Ed Serpe

Form W-4 (2003): Calculation, multiple discussions between Ed Serpe, Karyn Zizza, Eva Chardain and Amy Siblic. \$400

Federal Extensions

Preparation and filing of Form 4868, second extension of time to file US tax return, to October 15, 2003 for:
Dan Moynihan (\$250)
Robert Cosgrove (\$250)
Ed Serpe (\$250) \$750

Compensation

Multiple discussions regarding and analysis of 2002 and 2003 compensation. \$3,700
Continued review of Genuity-provided compensation breakdowns for missing taxable income, confirmation of foreign taxes paid, on-going correspondence with Brewers UK payroll administrator for UK income tax data and US gross-up payment allocation. Coordinate collection of compensation for 2002-2003 UK tax returns.

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Timeline

Preparation of timeline and planning meeting with Eva Chardain, Amy Sibilic and Karyn Zizza. \$250

French Liability Processing

Discussion regarding the potential for accelerating the process of the French return in order to resolve immediately (due to the company's desire to close out all outstanding liabilities). \$200

Total Amount Due \$5,500

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INVOICE NUMBER: 22002018

INVOICE DATE: October 23, 2003

Mr. Dan Moynihan
Genuity, Inc.
235 Presidential Way
M/S 26/41a
Woburn, MA 01888

| |
|--|
| <p>PLEASE REMIT TO: PNC Bank ERNST & YOUNG LLP P.O. Box 827006 Philadelphia, PA 19182-7006 EIN: 34-6565596</p> |
|--|

BU: US009

CLIENT: 11051486 / 11051482

Billing for professional Human Capital services for the period September 1 – October 17, 2003:

Ed Serpe

Conference call with Steven Avruch and Karyn Zizza regarding the French tax liability and the utilization of related foreign tax credits for Ed Serpe. \$400

Compensation/Gross-ups

Conference call with Laurie Smith and Karyn Zizza regarding gross-ups exceeding withholdings and how to proceed. \$550

Total Amount Due \$950

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Expatriate Tax Services Time Summary
GENUITY INC.

ATTACHMENT 3e.

| | | | |
|---|---|------------|---|
| Principal | Fielding, Eliot D (US150/1882615) | 12/03/2002 | 1.0 Review/evaluate changes to proposed eng ltr by client's GCO. Call w/ Eva Chardain to go over each change. |
| Tax Compliance Senior I Sato, Jennifer M. (US234/1685235) | Fielding, Eliot D (US150/1882615) Total | 02/10/2003 | 0.5 financials, billing |
| Tax Compliance Speciali Chardain, Eva M. (US234/991342) | Fielding, Eliot D (US234/991342) | 12/02/2002 | 0.3 S- Eng letter changes |
| Tax Compliance Speciali Chardain, Eva M. (US234/991342) | Fielding, Eliot D (US234/991342) | 12/03/2002 | 0.4 Billing |
| Tax Compliance Speciali Chardain, Eva M. (US234/991342) | Fielding, Eliot D (US234/991342) | 12/03/2002 | 1.5 S- call with Eliot Fielding regarding the issues with the Genuity engagement letter. -email my comments to Margaret regarding her questions and comments on the same |
| Tax Compliance Speciali Chardain, Eva M. (US234/991342) | Fielding, Eliot D (US234/991342) | 03/25/2003 | 0.7 S- call with Karyn and Amy and Marty regarding stuff- including getting some information for them re the returns status etc and the eng letter |
| Tax Compliance Speciali Chardain, Eva M. (US234/991342) | Fielding, Eliot D (US234/991342) | 03/26/2003 | 0.8 S- emailing with Amy regarding Charlie Z and doing his return- related to the invoices that she had a question about |
| Tax Compliance Speciali Chardain, Eva M. (US234/991342) | Fielding, Eliot D (US234/991342) | 05/21/2003 | 0.3 S- d/w Karyn regarding how to handle the call with Ed regarding his Form w-4 |
| Tax Compliance Speciali Chardain, Eva M. (US234/991342) | Fielding, Eliot D (US234/991342) | 05/22/2003 | 0.2 billing |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 12/23/2002 | 0.3 Ziaontz. Safe harbor with Phuc Le |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 12/27/2002 | 0.2 Calvert. Comp breakdown (AA) discussion with EC and PS-V |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 12/27/2002 | 0.2 Ziaontz. safe harbor disc and fwd support to PL |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 01/08/2003 | 1.0 Ziaontz. 2002 tax estimate for Q4 payment. |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 01/10/2003 | 0.5 Ziaontz. Safe harbor - EC's e-mail re her changes, my note re amount already funded. |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 01/13/2003 | 0.7 Ziaontz. Q4 calculation. discuss with EC, notes to/from CZ, present final e-mail deliverable to cz. |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 03/25/2003 | 1.0 Conference call w/ EC, AS and MM to discuss all elements of compliance and wrapping up engagement. |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 03/26/2003 | 0.2 billing q's |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 03/31/2003 | 0.5 Serpe 2003 BNA estimated tax |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 04/05/2003 | 0.5 Serpe Q4 BNA calc |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 04/05/2003 | 0.5 Serpe. Extension liability calc |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 04/07/2003 | 0.5 Comp review / discuss with Jenkins and EC re UK taxes in income |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 04/08/2003 | 0.3 Comp. with Jenkins and EC. |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 04/18/2003 | 0.4 Comp. e-mail to Laurie Smith about information we have re: foreign taxes paid on behalf of the assignees - has to go into taxable income, etc. Set up con call for next week. |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 04/28/2003 | 0.3 Comp. Notes to and from Laurie Smith re 2002 comp (foreign tax prnts). |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 05/07/2003 | 1.0 Summary of remaining services and timeline per Amy S request. |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 05/08/2003 | 1.2 Comp with UK and Genuity. |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 05/13/2003 | 0.2 Geraghty. 2000 revision and 2001 TEQ issue. |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 05/13/2003 | 0.2 Knil. NL tax compliance update. |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 05/13/2003 | 0.1 Meeker. French workshop Q |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 05/13/2003 | 0.1 Wong. Swiss ins follow up. |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 05/19/2003 | 0.7 Compensation. Discuss missing 2002 detail with Amy S, then Laurie S; Req from UK for 2002-2003 comp to Laurie . |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 05/20/2003 | 0.3 Serpe. Revised W-4 initial req and disc w/EC and with Amy S. |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | Fielding, Eliot D (US234/991342) | 05/21/2003 | 0.3 Serpe - W4 |

Expatriate Tax Services Time Summary
 GENUITY INC.

| | | | |
|--|------------|--|--|
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | 05/22/2003 | 0.2 Serpe. W-4 | |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | 05/23/2003 | 0.3 Serpe W-4 | |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | 06/10/2003 | 1.2 Comp 2002 US comp and 2002-2003 UK comp. Con call with Eva, discuss wih EVa, fwd prior notes to Eva. Note to client confirming what we need. | |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | 06/11/2003 | 0.2 Comp , notes to/fr EC | |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | 06/26/2003 | 0.6 Comp. EC's emails w/UK and client over past week re paye . | |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | 06/26/2003 | 0.2 Serpe. try to accelerate french tax . | |
| Tax Compliance Speciali Zizza, Karyn H (US234/2007894) | 06/27/2003 | 0.5 Cosgrove - bob Q's about 2001 teq settlement. | |



INVOICE NUMBER: 22007411

DATE: October 27, 2003

Mr. Steven N. Avruch, Esq. (rep. Debtors)
Genuity Inc.
235 Presidential Way
Woburn, MA 01801
Mr. Steven N. Avruch, Esq. (rep. Debtors)

PLEASE REMIT TO:
PNC BANK
ERNST & YOUNG LLP
P.O. BOX 827006
PHILADELPHIA, PA 19182-7006
EIN: 34-6565596

BU: US009

CLIENT: 60000499

For professional tax services rendered in connection with the following:

Billing for the preparation of the Form 5471's, Information Return of U.S. Persons with Respect to Certain Corporations for Genuity Inc. and Subsidiaries for the year ended December 31, 2002.

Total Amount Due

\$23,543

We have provided the following detail of hours, rates and fees by individual as required by the Administrative Order dated January 7, 2003 regarding procedures for interim compensation and reimbursement of expenses of professionals. As an attachment we have provided a breakdown, by person, of the work performed and the hours incurred. The following is a summary of that detail. This invoice reflects billings for the period from August 15, 2003 through September 15, 2003.

| <u>Individual</u> | <u>Level</u> | <u>Hours</u> | <u>Rate</u> | <u>Fees</u> |
|------------------------|----------------------|--------------|-------------|-----------------|
| Wragg, S | Partner | 5.0 | \$ 491 | \$2,455 |
| Tiedeman, F | Sr. Manager | 5.0 | 450 | 2,250 |
| Aldridge, J | Sr. Manager | 8.0 | 450 | 3,600 |
| Zachas, L | Senior | 26.1 | 288 | 7,517 |
| Rotondi, D. | Tax Compl Specialist | 12.3 | 197 | 2,423 |
| Jiang, Hong | Tax Compl Staff | 48.0 | 106 | 5,088 |
| | | <u>104.4</u> | | <u>\$23,333</u> |
| Out of pocket expenses | | | | |
| Courier | | | | 55 |
| Telephone | | | | 155 |
| | | | | <u>210</u> |
| | | | | <u>\$23,543</u> |

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Copies to:

Don S. DeAmicis, Esq. (rep. Counsel for Debtors)
Ropes & Gray
One International Place
Boston, MA 02110

Mr. Brian Masumoto (U.S. Trustee Office)
United States Trustee
33 Whitehall Street
Suite 2100
New York, NY 10004

David M. Feldman, Esq. (counsel for Official Committee of Unsecured
Creditors)
Kramer Levin Naftalis & Frankel LLP
919 Third Avenue
New York, NY 10022

P:\g\genuity\2003 billing\Genuity \$23.543 - Form 5471's invoice.doc

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**Detail Time Summary
Compliance Tax Services - Genuity Inc.**

| INDIVIDUAL | INCUR_DT | HOURS | HOURS_DESCR |
|--|------------|---------------|---|
| Aldridge, Jennifer L. (US009/2026335) | 08/04/2003 | 2.00 | fee disc, help client with tr |
| Aldridge, Jennifer L. (US009/2026335) | 08/06/2003 | 1.00 | tr help |
| Aldridge, Jennifer L. (US009/2026335) | 08/07/2003 | 1.00 | help with tr, 5471 fee quote |
| Aldridge, Jennifer L. (US009/2026335) | 09/03/2003 | 1.00 | jal, etc |
| Aldridge, Jennifer L. (US009/2026335) | 09/04/2003 | 1.00 | misc filing issues |
| Aldridge, Jennifer L. (US009/2026335) | 09/12/2003 | 2.00 | Tax return out/review |
| Aldridge, Jennifer L. (US009/2026335) Total | | 8.00 | |
| Jiang, Hong (US207/2073322) | 09/05/2003 | 8.00 | Genuity Inc: GmbH, Netherlands BV, Hong Kong, Switzerland: prepare Form 5471. |
| Jiang, Hong (US207/2073322) | 09/06/2003 | 3.00 | Genuity Inc: Genuity Hong Kong, Genuity Japan KK: prepare 5471 Form. fix other 5471s. |
| Jiang, Hong (US207/2073322) | 09/07/2003 | 5.00 | Genuity Inc: Japan KK, Japan Branch, Manamid AS, Manamid AB: prepare 5471s. |
| Jiang, Hong (US207/2073322) | 09/08/2003 | 9.00 | Genuity Inc: Genuity Brasil, Genuity Argentina, Genuity UK, Genuity Canada, Genuity Espana, Genuity Belgium, Genuity Mexico, Inter |
| Jiang, Hong (US207/2073322) | 09/09/2003 | 9.00 | Genuity Inc.: Integra France SA, Integra GmbH, NCI GmbH, Integra Italia, Integra Hosting Italia, Softlink SRL, Starlink Monza SRL, In |
| Jiang, Hong (US207/2073322) | 09/10/2003 | 8.00 | Genuity Inc.: 5471s, fix all the 5471s after receive the first review points. |
| Jiang, Hong (US207/2073322) | 09/11/2003 | 6.00 | Genuity Inc.: 5471s, Fix all the 5471s and process all the 5471s. |
| Jiang, Hong (US207/2073322) Total | | 48.00 | |
| Rotondi, Douglas M (US207/1699101) | 09/04/2003 | 0.50 | discussions with scheduler and staff. phone call with EY consultant |
| Rotondi, Douglas M (US207/1699101) | 09/05/2003 | 4.00 | going through and testing data, discussions with staff and consultant. emails. |
| Rotondi, Douglas M (US207/1699101) | 09/08/2003 | 1.00 | Discussions with scheduler, staff, and consultant. |
| Rotondi, Douglas M (US207/1699101) | 09/09/2003 | 0.50 | discussions with staff. looking at 5471s |
| Rotondi, Douglas M (US207/1699101) | 09/10/2003 | 0.30 | discussions with staff and consultant regarding engagement and review points. |
| Rotondi, Douglas M (US207/1699101) | 09/11/2003 | 1.00 | going over plans with staff and consultant. emails, and looking at transmittal letter options. |
| Rotondi, Douglas M (US207/1699101) | 09/12/2003 | 5.00 | checking copies of 5471s for completeness. stapling DOR copies, having Client copies bound. Created transmittal letter in Gosys. |
| Rotondi, Douglas M (US207/1699101) Total | | 12.30 | |
| Tiedeman, Forrest G. (US009/2027484) | 09/08/2003 | 1.00 | admin create model form for French bankrupt entities |
| Tiedeman, Forrest G. (US009/2027484) | 09/08/2003 | 1.00 | review active form 5471 with Lew |
| Tiedeman, Forrest G. (US009/2027484) | 09/09/2003 | 1.00 | review questions and points with Lew |
| Tiedeman, Forrest G. (US009/2027484) | 09/10/2003 | 1.00 | project management review Lew's points and answer queries |
| Tiedeman, Forrest G. (US009/2027484) | 09/11/2003 | 1.00 | 5471 review |
| Tiedeman, Forrest G. (US009/2027484) Total | | 5.00 | |
| Wragg, Scott B (US009/946798) | 09/02/2003 | 1.00 | overview of compliance needs |
| Wragg, Scott B (US009/946798) | 09/08/2003 | 1.00 | 5471 |
| Wragg, Scott B (US009/946798) | 09/09/2003 | 2.00 | 5471 |
| Wragg, Scott B (US009/946798) | 09/11/2003 | 1.00 | 5471 |
| Wragg, Scott B (US009/946798) Total | | 5.00 | |
| Zachas, Lewis J (US009/1990339) | 09/03/2003 | 1.00 | 5471s - Planning - including talks w/ FGT |
| Zachas, Lewis J (US009/1990339) | 09/04/2003 | 0.60 | 5471s - planning, talks w/ FGT & Doug Rotondi |
| Zachas, Lewis J (US009/1990339) | 09/05/2003 | 4.70 | 5471 Planning, preparation, corresp. w/ Forrest, Client & Compliance |
| Zachas, Lewis J (US009/1990339) | 09/08/2003 | 3.80 | 5471s - review of active entities |
| Zachas, Lewis J (US009/1990339) | 09/09/2003 | 6.00 | Review of 5471s |
| Zachas, Lewis J (US009/1990339) | 09/10/2003 | 1.00 | 5471s - Admin Issues |
| Zachas, Lewis J (US009/1990339) | 09/10/2003 | 2.70 | Review of 5471s |
| Zachas, Lewis J (US009/1990339) | 09/11/2003 | 3.50 | 5471 - Final Review and completion issues |
| Zachas, Lewis J (US009/1990339) | 09/12/2003 | 2.80 | Finalizing/ Assembly/ Shipping of 5471s |
| Zachas, Lewis J (US009/1990339) Total | | 26.10 | |
| Grand Total | | 104.40 | |



INVOICE NUMBER: 22019878

INVOICE DATE: October 30, 2003

Mark Hileman (rep. Debtors)
 Genuity Inc.
 235 Presidential Way
 Woburn, MA 01801

PLEASE REMIT TO:
 PNC Bank
 ERNST & YOUNG LLP
 P.O. Box 827006
 Philadelphia, PA 19182-7006
 EIN: 34-6565596

BU: US009

CLIENT: 60000499

Billing for professional services rendered in connection with testimony provided as a fact witness at a deposition related to certain disputed matters between Genuity Inc. and Level 3 Communications, arising out of that certain Asset Purchase agreement dated as of November 27, 2003 by and among the Company and certain of the its subsidiaries and Level 3 Communications, Inc. and Level 3 Communications, LLC. These services have been provided pursuant to our audit engagement letter dated February 10, 2003.

Total due **\$ 6,113**

We have provided the following detail of hours, rates and fees by individual as required by the Administrative Order dated January 7, 2003 regarding procedures for interim compensation and reimbursement of expenses of professionals.

| <u>Individual</u> | <u>Level</u> | <u>Hours</u> | <u>Rate</u> | <u>Fees</u> |
|-------------------------|--------------|--------------|-------------|----------------|
| Vrigan, A. | Partner | 9.0 | \$ 484 | \$ 4,356 |
| Languirand, P. | Sr. Manager | 3.5 | 388 | 1,358 |
| Reinert, K. | Manager | 1.0 | 388 | 388 |
| | | <u>13.5</u> | | <u>6,102</u> |
| Out of pocket expenses: | | | | |
| Mileage | | | | 11 |
| | | | | <u>\$6,113</u> |

Copies to:

Don S. DeAmicis, Esq. (rep. Counsel for Debtors)
 Ropes & Gray
 One International Place
 Boston, MA 02110

Mr. Brian Masumoto (U.S. Trustee Office)
 United States Trustee

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33 Whitehall Street
Suite 2100
New York, NY 10004

David M. Feldman, Esq. (counsel for Official Committee of Unsecured
Creditors)
Kramer Levin Naftalis & Frankel LLP
919 Third Avenue
New York, NY 10022

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