

Hearing Date: January 28, 2004
Hearing Time: 2:30 p.m.
Objection Deadline: January 23, 2004

KRAMER LEVIN NAFTALIS & FRANKEL LLP
919 Third Avenue
New York, New York 10022
David M. Feldman (DF-8070)
P. Bradley O'Neill (PO-5832)
212-715-9100

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

COVER SHEET PURSUANT TO UNITED STATES TRUSTEE
GUIDELINES FOR REVIEWING APPLICATIONS FOR COMPENSATION
AND REIMBURSEMENT OF EXPENSES FILED UNDER 11 U.S.C. §§ 330 AND 331

NAME OF APPLICANT:	Kramer Levin Naftalis & Frankel LLP	
TIME PERIOD:	December 5, 2002 through December 2, 2003	
ROLE IN THE CASE:	Attorneys for the Official Committee of Unsecured Creditors	
CURRENT APPLICATION:	Fees Requested:	\$2,059,267.00
	Expenses Requested:	\$102,227.90
PRIOR APPLICATIONS:	Fees Previously Requested:	\$1,015,562.00
	Fees Previously Awarded:	\$1,015,562.00
	Expenses Previously Requested:	\$68,402.13
	Expenses Previously Awarded:	\$68,402.13
ADDITIONAL AMOUNTS PAID PURSUANT TO ADMINISTRATIVE ORDER:	Total Fees Received:	\$556,597.20
	Total Expenses Received:	\$16,288.55
AMOUNTS OUTSTANDING:	Total Unpaid Fees:	\$487,107.80
	Total Unpaid Expenses:	\$17,537.22

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UNITED STATES BANKRUPTCY COURT
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In re:	:	X
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	:	Chapter 11
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GENUITY INC., <u>et al.</u> ,	:	Case No. 02-43558 (PCB)
	:	
	:	(Jointly Administered)
	:	
Debtors.	:	

**FINAL APPLICATION OF KRAMER LEVIN NAFTALIS &
FRANKEL LLP, AS ATTORNEYS FOR THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS, FOR INTERIM
ALLOWANCE OF COMPENSATION FOR PROFESSIONAL
SERVICES RENDERED AND FOR REIMBURSEMENT OF
ACTUAL AND NECESSARY EXPENSES INCURRED
FROM DECEMBER 5, 2002 THROUGH DECEMBER 2, 2003**

TO: THE HONORABLE PRUDENCE CARTER BEATTY,
UNITED STATES BANKRUPTCY JUDGE:

Kramer Levin Naftalis & Frankel LLP (“Kramer Levin,” or the “Applicant”),
counsel to the Official Committee of Unsecured Creditors (the “Committee”) of Genuity, Inc., et
al., as debtors and debtors in possession in these chapter 11 cases (collectively, the “Debtors”),
for its Final Application (the “Application”) pursuant to sections 330(a) and 331 of title 11 of the
United States Code (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy
Procedure (the “Bankruptcy Rules”), for final allowance of compensation for professional
services performed and for reimbursement of actual and necessary expenses incurred by Kramer
Levin for the period commencing December 5, 2002, through and including December 2, 2003
(the “Final Fee Period”), respectfully represents:

**SUMMARY OF PROFESSIONAL COMPENSATION
AND REIMBURSEMENT OF EXPENSES REQUESTED**

1. The Application has been prepared in accordance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the "Local Guidelines"), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the "UST Guidelines") and the Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals entered in these cases (the "Administrative Order" and, collectively with the Local Guidelines and UST Guidelines, the "Guidelines"). Pursuant to the Local Guidelines, a certification regarding compliance with same is attached hereto as Exhibit "A."

2. Kramer Levin seeks final allowance of compensation for the professional services rendered and reimbursement of expenses incurred by Kramer Levin, as counsel to the Committee, for the Final Fee Period in the aggregate amount of \$2,161,494.90 representing professional and paraprofessional services in the amount of \$2,059,267.00 and expenses incurred by Kramer Levin during the Final Fee Period in connection with the rendition of such professional and paraprofessional services in the amount of \$102,227.90.

3. During the Final Fee Period, Kramer Levin attorneys and paraprofessionals expended a total of 4,984.70 hours for which compensation is requested.

4. There is no agreement or understanding between Kramer Levin and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these cases.

5. The fees charged by Kramer Levin in these cases are billed in accordance with its existing billing rates and procedures in effect during the Final Fee Period. The rates Kramer Levin charges for the services rendered by its professionals and paraprofessionals in these chapter 11 cases are the same rates Kramer Levin charges for professional and paraprofessional services rendered in comparable non-bankruptcy related matters. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable non-bankruptcy cases in a competitive national legal market.

6. Pursuant to the UST Guidelines, annexed hereto as Exhibit "B" is a schedule setting forth all Kramer Levin professionals and paraprofessionals who have performed services in these chapter 11 cases during the Final Fee Period, the capacities in which each such individual is employed by Kramer Levin, the hourly billing rate charged by Kramer Levin for services performed by such individual, the aggregate number of hours expended in this matter and fees billed therefore, and the year in which each professional was first licensed to practice law.

7. A breakdown of the services rendered by Kramer Levin by the project categories indicated along with a total amount for the services rendered during the Final Fee Period is annexed hereto as Exhibit "C".

8. Annexed hereto as Exhibit "D" is a schedule specifying the categories of expenses for which Kramer Levin is seeking reimbursement and the total amount for each such expense category. Photocopying and telecopier costs have been reduced according to the guidelines governing fee applications promulgated by the Office of the United States Trustee.

9. Annexed as Exhibit "E" are daily time records contemporaneously maintained by each attorney and legal assistant employed by the Applicant reflecting the work

performed and the time spent (subject to redaction where necessary to protect privileged information) on this case during the Final Fee Period. Because the Applicant's daily time records are attached, this Application only provides a summary of the Applicant's principal activities during the Final Fee Period.

10. Since the commencement of these cases, and pursuant to the Administrative Order, Kramer Levin has provided the appropriate noticed parties with eleven monthly fee statements for the months of December 2002 through and including November 2003, and two applications for interim allowance of compensation for professional services performed and for reimbursement of actual and necessary expenses (the "Interim Fee Applications"). The following chart summarizes the amounts of fees and expenses the Applicant has requested and received during the Final Fee Period.

Statement Period	Fees Requested	Expenses Requested	Fees Received	Expenses Received	Balance Due
December 5, 2002 - February 28, 2003 <i>First Interim Fee Application</i>	\$587,595.50	\$25,972.41	\$587,595.50	\$25,972.41	\$0.00
March 1, 2003 - July 31, 2003 <i>Second Interim Fee Application</i>	\$427,966.50	\$42,429.72	\$427,966.50	\$42,429.72	\$0.00
August 1, 2003 - August 31, 2003	\$217,856.50	\$4,833.22	\$174,285.20	\$4,833.22	\$43,571.30
September 1, 2003 - September 30, 2003	\$247,918.00	\$8,343.87	\$198,334.40	\$8,343.87	\$49,583.60
October 1, 2003 - October 31, 2003	\$229,972.00	\$3,111.46	\$183,977.60	\$3,111.46	\$45,994.40
November 1, 2003 - November 30, 2003	\$312,638.50	\$15,245.96	\$0.00	\$0.00	\$327,884.46
December 1, 2003 - December 2, 2003 <i>(No Prior Request for this Period)</i>	\$35,320.00	\$2,291.26	\$0.00	\$0.00	\$37,611.26
Totals	\$2,059,267.00	\$102,227.90	\$1,572,159.20	\$84,690.68	\$504,645.02

Total outstanding fees = \$487,107.80
Total outstanding expenses = \$17,537.22

BACKGROUND

11. On November 27, 2002 (the “**Petition Date**”), the Debtors filed voluntary petitions in this Court for relief under the Bankruptcy Code.

12. On December 5, 2002, the United States Trustee for the Southern District of New York, pursuant to section 1102 of the Bankruptcy Code, appointed the Committee to represent the interests of all unsecured creditors in these chapter 11 Cases. By order dated January 15, 2003, the Court approved the Committee’s retention of Kramer Levin as counsel to the Committee, effective as of December 5, 2002.

13. On January 24, 2003 this Court entered an order (the “**Sale Order**”) approving the sale (the “**Sale**”) of substantially all of the Debtors’ assets to Level 3 Communications, LLC (“**Level 3**”). The closing of the Sale (the “**Closing**”) took place on February 4, 2003.

14. On October 2, 2003 the Debtors filed their Second Amended Disclosure Statement in Support of the Joint Consolidated Plan of Liquidation, As Modified (the “**Disclosure Statement**”), which was approved by order of the Court on October 6, 2003. On November 14, 2003 the Debtors filed with the Court their Joint Consolidated Plan of Liquidation, As Modified date November 14, 2003 (the “**Plan**”), which was confirmed by order of the Court on November 21, 2003. Pursuant to confirmation of the Plan, the Genuity Liquidating Trust (the “**Trust**”) was created to wind-down the remaining estate assets and to administrate claims and distributions to creditors. On December 2, 2003 (the “**Effective Date**”), the Plan went into effect.

SUMMARY OF LEGAL SERVICES RENDERED

15. The legal services rendered by the Applicant during the Final Fee Period are summarized below:

A. Sale Transaction

(Fees: \$226,921.00 / Hours Billed: 494.40)

16. During the early part of the Final Fee Period, the Applicant spent many hours attending to issues related to the sale of the Debtors' assets to Level 3 Communications and the potential settlements with both Verizon and Deutsche Bank. The Applicant reviewed and negotiated the Debtors' Motion to Approve Bid Procedures and proposed revisions to the bid procedures. The Applicant also reviewed the Debtors' Sale Motion and analyzed and summarized the numerous objections to this motion. The Applicant reviewed a proposed Asset Purchase Agreement submitted by a competing bidder and compared that proposal to the Level 3 Asset Purchase Agreement. In addition, the Applicant spent time meeting with the Debtors, the Debtors' counsel, the Debtors' financial advisors, the Committee, and the Committee's financial advisors to discuss aspects of sale, bidding procedures, and competing bids of prospective buyers. The Applicant also examined the outcomes of various sale scenarios versus the outcome of liquidation in conjunction with the analysis provided by the financial advisors to the Committee. The Applicant spent time reviewing and negotiating numerous stipulations in connection with the Sale hearing and actively participated in the hearing. Finally, the Applicant spent time reviewing closing documents and attended to closing details, such as purchase price adjustments and cure costs, in order to facilitate successful completion of the sale transaction with Level 3 Communications.

B. Bankruptcy Motions
(Fees: \$276,212.00 / Hours Billed: 725.70)

17. Throughout the Final Fee Period, the Applicant reviewed, analyzed, summarized and provided recommendations to the Committee with respect to legal, financial and business aspects of the multitude of motions filed by the Debtors and other parties in these cases. Where appropriate, Applicant discussed with the Committee the advisability of submitting responsive pleadings to certain motions. Furthermore, certain of the motions were complex, requiring detailed factual inquiries and diligence, and/or presented novel legal theories which required legal research.

18. Several of the Debtors' motions required formal written responses by the Committee, each of which was prepared by the Applicant, and which include:

- (a) Response of Committee to Motion Approving a Settlement Agreement with Verizon Communications;
- (b) Response of Committee to Application to Employ Alvarez & Marsal as Restructuring Consultants for the Debtors-In-Possession;
- (c) Committee's Joinder to Debtors' First Omnibus Response to Certain Cure Claim Objections;
- (d) Committee's Objection to Expedited Motion of Affiliates of Verizon Communications Inc. to Compel Immediate Payment by Debtors and Level 3 Communications, LLC of Invoices for Postpetition Services;
- (e) Omnibus Response of Committee to Objections to Disclosure Statement; and
- (f) Statement of Committee in Support of Confirmation of the Debtors' Joint Consolidated Plan of Liquidation, As Modified.

19. Applicant also prepared for and appeared at each of the hearings in this case and participated in the same on behalf of the Committee.

20. As discussed below, Applicant played a significant role in the negotiations of certain significant disputed claims in this case. Once claim settlements were achieved during the case, Applicant spent time analyzing the proposed settlement agreements and reviewing related reports of the Committee's financial advisors. Claim settlement motions reviewed by Applicant include those related to the settlements with SimUtility, Inc., Metromedia Fiber Network, GTE Corporation, Telus Corporation, Nortel Networks, Inc., Level 3 Communications, Inc., Starnet, Inc., Cisco Systems Capital Corporation, America Online, Inc. and Verizon.

21. The Applicant also reviewed professional fee statements and interim fee applications of the Debtors' professionals and provided summaries of the fees and expenses requested therein to the Committee.

C. Intercreditor Issues
(Fees: \$129,952.50 / Hours Billed: 335.60)

22. During the Final Fee Period, the Applicant spent a great deal of time analyzing the intercreditor issues and claims among the bank lenders, the general unsecured creditors, and Verizon, in its capacity as a lender. In connection therewith, the Applicant analyzed all related legal and factual issues and conducted legal research and due diligence regarding same. Subsequent to completing its analysis, the Applicant, together with Deloitte & Touche, prepared various recovery scenarios and communicated with the Debtors' professionals, the Banks, the Committee's financial advisors and consultants, and the Committee regarding same. After analyzing the various intercreditor issues and discussing the same with the Committee, the Applicant mediated the extensive negotiations among the Debtors and the

Committee members, which negotiations led to a fully consensual intercreditor deal. The negotiated deal was embodied in a term sheet drafted by the Applicant. This term sheet formed the basis of the plan discussed below.

D. Plan of Reorganization
(Fees: \$858,578.50 / Hours Billed: 1,946.30)

23. During the Final Fee Period, the Applicant spent time drafting the intercreditor aspects of the plan of reorganization and the disclosure statement sections that discussed the same. The Applicant commented on all other provisions of the plan and disclosure statement and extensively negotiated the terms of each with the Debtors. The Applicant also spent time reviewing the motion of the Debtors to extend the exclusivity period, negotiating the terms of the exclusivity period and participating in the hearing regarding same. The Applicant further spent time researching the tax implications of the plan and analyzing the structure of the plan.

24. The negotiations with the Debtors as to the precise terms of the plan and disclosure statement were extensive. The Applicant spent a significant amount of time reviewing and drafting revisions to multiple drafts of the plan and disclosure statement, and communicating with the Debtors' counsel, the Banks, and the Committee regarding same. The Applicant also drafted and negotiated the terms of the Liquidating Trust Agreement, which governs the trust created to wind-down the remaining estate assets.

25. Once the Plan and Disclosure Statement were filed and noticed for approval, the Applicant, together with the Debtors, began to focus on the objections filed by certain parties. The Applicant reviewed all objections to the Disclosure Statement and Plan and negotiated with the objecting parties and the Debtors to resolve the objections. In order to

resolve certain of these objections modifications to the Plan and/or the Disclosure Statement were required. The Applicant either drafted such modifications or reviewed and commented on those modifications proposed by the Debtors. With respect to both the Disclosure Statement hearing and the Confirmation hearing, the Applicant prepared substantive responses in opposition to the unresolved objections and in support of approval of the Debtors' request for approval.

26. Certain of the objections to the Plan and Disclosure Statement required a contested hearing, including the objection to the Disclosure Statement by ICG and the objection to confirmation by DeutscheBank. DeutscheBank also served related discovery requests, in connection with which the Applicant spent a significant amount of time assembling responsive documents and drafting a response.

27. Applicant spent time preparing for and participating in the Disclosure Statement and Plan hearings, including preparation of Deloitte & Touche as a potential witness for the Plan confirmation hearing.

28. After the Plan confirmation hearing, the Applicant worked with AP Services, LLC to prepare for the Effective Date, including finalizing the Liquidating Trust Agreement, negotiating and drafting employment contracts for key Liquidating Trust employees, establishing a Liquidating Trust budget, and setting claim and expense reserves for the Trust. The Applicant also worked with AP Services, LLC and insurance brokers to obtain appropriate insurance for the Trust, the Trust's key employees and the Oversight Committee. The Applicant prepared for and participated in the closing, culminating on the Effective Date at the Trust's new headquarters. As of the Effective Date, the Applicant was retained by the Oversight Committee to serve as lead counsel to the Trust.

E. Claim Analysis
(Fees: \$265,891.00 / Hours Billed: 602.00)

29. The Applicant spent a significant amount of time during the case analyzing and negotiating the most significant claims in the case. First, in connection with the desired goal of achieving an intercreditor settlement, the Applicant carefully reviewed each of the Bank and Verizon credit documents and all related documents and information requested from and provided by the Debtors. Furthermore, the Applicant assessed the intercompany claims among Genuity Inc. and its subsidiaries. In connection with each of the foregoing, the Applicant met with and discussed all factual background issues with the Debtors' management. As discussed above, this analysis then served as the background for an intercreditor negotiation and settlement.

30. The second major category of claim analysis work performed by the Applicant related to the settlement of two of the largest aggregate claims in the cases -- those claims asserted by Level 3 (arising out of the Asset Purchase Agreement) and those asserted by Verizon, arising out of the various commercial arrangements between Verizon and the Debtors. The Applicant spent a significant amount of time reviewing all relevant agreements and documentation and participated in numerous strategy and negotiating sessions with the Debtors and the disputed claim holders. In connection with the settlement discussions, the Applicant organized and ran numerous Committee conference calls to discuss the proposed settlements and to formulate responses. These efforts resulted in consensual resolutions of both of these significant disputed claims.

31. A third category of claim analysis related to the Applicant's lead role in negotiating a settlement of the Nortel claim, one of the three largest unsecured claims in the case.

After negotiations between the Debtors and Nortel stalled, the Applicant, on behalf of the Committee analyzed the Nortel claim and all related documents and negotiated a consensual resolution of the claim. In connection therewith, the Applicant heard presentations from the Debtors and Nortel on each side of the dispute, performed legal research, and extensively reviewed supporting documentation.

32. Finally, the Applicant, throughout the case, reviewed issues and documents relating to the various claim objections and settlements proposed by the Debtors, including, among others, issues regarding contract rejections and assumptions and cure claims and issues relating to the claims of Telus Corporation and Metromedia Fiber Network, ICG Datachoice, and Qwest.

F. Employee Issues
(Fees: \$94,268.00 / Hours Billed: 212.00)

33. During the Final Fee Period the Applicant spent time attending to issues relating to severance, retention and compensation of the Debtors' employees. The Applicant spent time reviewing and extensively negotiating the Debtors' wind-down plan, compensation agreement and confidentiality agreement. The Applicant also spent time analyzing and negotiating the provisions of the Key Employee Retention Plan ("KERP"), the KERP motion, and related issues. The Applicant spent time reviewing and negotiating the Debtors' severance plan, including time spent reviewing objections to the plan, meeting with the Committee's financial advisors to analyze details of the plan and preparing for the hearing regarding this plan. The Applicant also spent time reviewing and extensively negotiating proposed modifications to the Debtors' retention plan, as well as meeting with the Debtors, Committee members, and the Committee's advisors to discuss retention plan modifications. Furthermore, the Applicant spent

time reviewing and extensively negotiating the proposed retention of AP Services, LLC to provide temporary employees to the Debtors and communicating with counsel to AP Services regarding same.

34. In connection with confirmation of the Plan, the Applicant drafted term sheets for and negotiated employment contracts of Andrew Borggaard, as Chief Liquidating Office of the Trust, and other key Trust employees. The Applicant communicated with members of the Oversight Committee regarding the retention of Trust employees, which was implemented on the Effective Date.

G. Case Administration & Committee Communications
(Fees: \$183,594.00 / Hours Billed: 570.90)

35. During the Final Fee Period, the Applicant spent a significant amount of time communicating with members of the Committee regarding the myriad legal and business issues that have been addressed throughout this complex case. The Applicant drafted numerous memos to the Committee and conducted meetings with the Committee on a weekly basis to discuss developments in the case and to determine Committee positions on all key issues. The Applicant also spent time communicating and negotiating with the Committee's financial advisors and with the Debtors' professionals. Applicant also spent time reviewing the Debtors' weekly flash reports, pleadings and correspondence and maintaining case files, as well as preparing materials for various hearings.

H. Fee Applications
(Fees: \$16,017.00 / Hours Billed: 78.10)

36. During the Final Fee Period the Applicant spent time reviewing time records and researching U.S. Trustee Guidelines and Local Bankruptcy Rules in connection with the preparation of monthly fee statements and interim fee applications. In addition to drafting

and serving numerous monthly fee statements and Committee reimbursement forms, the Applicant spent time drafting the First and Second Interim Fee Applications. Additionally, the Applicant spent time communicating with the Debtors' counsel and financial advisors to the Committee regarding fee application deadlines and revisions to the interim fee applications of the Debtors and Committee's professionals. The Applicant also spent time communicating with the U.S. Trustee regarding the Trustee's objections to the interim fee applications of the Applicant and other professionals, as well as participating in the fee application hearings.

I. Retentions

(Fees: \$7,685.50 / Hours Billed: 19.20)

37. During the Final Fee Period, the Applicant prepared and filed the Kramer Levin retention application as counsel to the Committee as well as the related Affidavit in Support. The Committee devoted time to analyzing and formulating recommendations with respect to various applications for Debtors' professionals and discussing such applications with the Committee members and Debtors. The Applicant also coordinated the retention of Deloitte & Touche LLP as financial advisors to the Committee and subsequently drafted and filed Deloitte & Touche's retention application.

38. During the Final Fee Period, the Applicant also spent time communicating with the Debtors' counsel, counsel to AP Services, LLC and the Committee regarding the retention of AP Services, LLC to provide temporary employees to the Debtors.

STATEMENT OF THE APPLICANT

39. The foregoing professional services performed by Kramer Levin were appropriate and necessary. They were in the best interests of the Committee, the Debtors and other parties in interest. Compensation for the foregoing services as requested is commensurate

with the complexity, importance and nature of the problems, issues or tasks involved. The professional services were performed in an appropriately expeditious and efficient manner.

40. The professional services performed by Kramer Levin on behalf of the Committee during the Final Fee Period required an aggregate expenditure of 4,984.70 recorded hours by Kramer Levin's members, counsel, associates and paraprofessionals. Of the aggregate time expended, 2,206.00 recorded hours were expended by partners and counsel of Kramer Levin, 2,456.00 recorded hours were expended by associates and 322.70 recorded hours were expended by paraprofessionals of Kramer Levin.

41. During the Final Fee Period, Kramer Levin's hourly billing rates for attorneys ranged from \$210.00 to \$675.00 per hour. Allowance of compensation in the amount requested would result in a blended hourly billing rate for attorneys of approximately \$429.45 (based upon 4,662.00 recorded hours for attorneys at Kramer Levin's regular billing rates in effect at the time of the performance of services). Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable bankruptcy cases in a competitive national legal market. As noted, attached hereto is a schedule listing each Kramer Levin professional and paraprofessional who performed services in these cases during the Final Fee Period, the hourly rate charged by Kramer Levin for services performed by each such individual and the aggregate number of hours and charges by each individual.

ACTUAL AND NECESSARY DISBURSEMENTS OF KRAMER LEVIN

42. As set forth in Exhibit "D" hereto, Kramer Levin has disbursed \$102,227.90 as expenses incurred in providing professional services during the Final Fee Period. With respect to photocopying expenses, Kramer Levin charged \$0.20 per page, and with respect to facsimile expenses, Kramer Levin charged \$1.25 per page. Each of these categories of expenses does not exceed the maximum rate set by the Guidelines. These charges are intended

to cover Kramer Levin's direct operating costs, which costs are not incorporated into the Kramer Levin's hourly billing rates. Only clients who actually use services of the types set forth in Exhibit "D" are separately charged for such services. The effect of including such expenses as part of the hourly billing rates would impose that cost upon clients who do not require extensive photocopying and other facilities and services. The amount of the standard photocopying charge is intended to allow Kramer Levin to cover the related expenses of its photocopying service. A determination of the actual expenses per page for photocopying, however, is dependent on both the volume of copies and the total expenses attributable to photocopying on an annual basis.

43. The time constraints imposed by the circumstances of these cases have sometimes required Kramer Levin's attorneys and other employees to devote time during the evenings and on weekends to the performance of legal services on behalf of the Debtors. These services were essential to meet deadlines, timely respond to inquiries on a daily basis from parties in interest, and satisfy the demands of the Committee. Consistent with the practice of the New York City firms, employees of the Applicant who worked late into the evenings or on weekends were reimbursed for their reasonable meal costs and their cost for transportation from the office to home. Kramer Levin's regular practice is not to include components for those charges in overhead when establishing billing rates and to charge its clients for these and all other out-of-pocket disbursements incurred during the regular course of the rendition of services. The reimbursement amounts do not exceed those set forth in the Guidelines.

44. In addition, due to the location of the Committee members and other professionals in relation to Kramer Levin's offices, frequent long distance telephone calls were required. On several occasions, overnight delivery of documents and other materials was required as a result of circumstances necessitating the use of such express services. These

disbursements are not included in Kramer Levin's overhead for the purpose of setting billing rates. Kramer Levin has made every effort to minimize its disbursements in these cases. The actual expenses incurred in providing professional services were absolutely necessary, reasonable, and justified under the circumstances to serve the needs of the Committee.

THE REQUESTED COMPENSATION SHOULD BE ALLOWED

45. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 to govern the Court's award of such compensation. 11 U.S.C. § 331. Section 330 provides that a court may award a professional employed under section 328 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered . . . and reimbursement for actual, necessary expenses." 11 U.S.C. §330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded, the court should consider the nature, extent, and the value of such services, taking into account all relevant factors, including --

- (a) the time spent on such services;
- (b) the rates charged for such services;
- (c) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (d) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and
- (e) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. §330(a)(3).

33. In the instant case, Kramer Levin respectfully submits that the services for which it seeks compensation in this Application were, at the time rendered, believed to be necessary for, beneficial to, and in the best interests of the Committee. Kramer Levin further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Committee.

34. Whenever possible, Kramer Levin sought to minimize the costs of Kramer Levin's services to the Committee by utilizing junior attorneys and paraprofessionals to handle the more routine aspects of case administration.

46. In sum, the services rendered by Kramer Levin were necessary and beneficial to the Committee, and were consistently performed in a timely manner commensurate with the complexity, importance, and nature of the issues involved, and approval of the compensation sought herein is warranted.

NOTICE

Notice of this Application has been provided to the United States Trustee, the Debtor, and counsel for the Debtor. Kramer Levin submits that no other or further notice need be provided.

CONCLUSION

WHEREFORE Kramer Levin respectfully requests that the Court enter an order (i) allowing compensation to Kramer Levin for professional services rendered to the Committee during the period from December 5, 2002 through and including December 2, 2003 in the amount of \$2,059,267.00; (ii) allowing reimbursement of Kramer Levin's out of pocket expenses incurred in connection with the rendering of such services during the Final Fee Period in the amount of \$102,227.90; (iii) authorizing and directing the Debtors to make final payment to Kramer Levin in the amount of \$504,645.02 consisting of all unpaid fees from the Final Fee Period in the aggregate amount of \$487,107.80¹ and all unpaid expenses incurred during the Final Fee Period in the amount of \$17,537.22²; and (iv) such other relief as is just.

Dated: New York, New York
 December 23, 2003

Respectfully submitted,

/s/ David M. Feldman
KRAMER LEVIN NAFTALIS & FRANKEL LLP
David M. Feldman (DF-8070)
919 Third Avenue
New York, New York 10022
(212) 715-9100

COUNSEL FOR THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS

¹ This amount consists of the twenty percent (20%) holdback of fees for August, September, October 2003 and one hundred percent (100%) of outstanding fees for November and December 2003.

² This amount consists of outstanding expenses for November and December 2003.

EXHIBIT A

KRAMER LEVIN NAFTALIS & FRANKEL LLP
919 Third Avenue
New York, New York 10022
212-715-9100

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**CERTIFICATION UNDER GUIDELINES FOR FEES AND
DISBURSEMENTS FOR PROFESSIONALS IN RESPECT
OF SECOND APPLICATION OF KRAMER LEVIN
NAFTALIS & FRANKEL LLP FOR INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES**

I, David M. Feldman, hereby certify that:

1. I am a member of the applicant firm, Kramer Levin Naftalis & Frankel LLP (“Kramer Levin”), and I have responsibility for the representation of the Official Committee of Unsecured Creditors (the “Committee”) of the chapter 11 case of Genuity, Inc., et al., as debtors and debtors in possession (collectively, the “Debtors”). I submit this certification regarding the firm, in compliance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the “Local Guidelines”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the “UST Guidelines”) and the Order Pursuant to Sections 105(a)

and 331 of the Bankruptcy Code Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals (the “Administrative Order” and, collectively with the Local Guidelines and UST Guidelines, the “Guidelines”).

2. This certification is made in respect of Kramer Levin’s application, dated December 30, 2003 (the “Application”), for final compensation and reimbursement of expenses for the period commencing December 5, 2002 through and including December 2, 2003 (the “Final Fee Period”) in accordance with the Guidelines.

3. In respect of section B.1 of the Local Guidelines, I certify that:

I have read the Application

- a. to the best of my knowledge, information, and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Local Guidelines;
- b. the fees and disbursements sought are billed at rates in accordance with practices customarily employed by Kramer Levin and generally accepted by Kramer Levin’s clients; and
- c. in providing a reimbursable service, Kramer Levin does not make a profit on that service, whether the service is performed by Kramer Levin in-house or through a third party.

4. In respect of section B.2 of the Local Guidelines and as required by the Administrative Order, I certify that Kramer Levin has complied with the provision requiring it to provide the appropriate notice parties, on a monthly basis, with a statement of Kramer Levin’s fees and disbursements accrued during the previous month.

5. In respect of section B.3 of the Local Guidelines, I certify that the Debtors, counsel for the Debtors, and the United States Trustee for the Southern District of New York are each being provided with a copy of this Application. In addition, pursuant to the Administrative Order, the Debtor and the U.S. Trustee were served with a copy of this Application on December 23, 2003.

Dated: New York, New York
December 30, 2003

Respectfully submitted,

/s/ David M. Feldman
David M. Feldman

EXHIBIT B

SCHEDULE OF TIME CHARGES AND RATES
FOR THE PERIOD DECEMBER 1, 2002 THROUGH DECEMBER 2, 2003

<u>ATTORNEY</u>	<u>TITLE</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>AMOUNT</u>	<u>YEAR ADMITTED</u>
DIENSTAG, ABBE L.	PARTNER	8.60	460.00	3,956.00	1983
DIENSTAG, ABBE L.	PARTNER	4.50	495.00	2,227.50	1983
ECKSTEIN, KENNETH H.	PARTNER	45.50	625.00	28,437.50	1980
ECKSTEIN, KENNETH H.	PARTNER	6.30	675.00	4,252.50	1980
KOLEVZON, PETER S.	PARTNER	0.80	600.00	480.00	1966
SPILKO, HOWARD T.	PARTNER	0.80	485.00	388.00	1993
FELDMAN, DAVID M.	PARTNER	74.60	440.00	32,824.00	1994
FELDMAN, DAVID M.	PARTNER	1,432.90	485.00	694,956.50	1994
NADLER, ELLEN R.	PARTNER	2.30	585.00	1,345.50	1972
SCHMIDT, ROBERT T.	PARTNER	141.10	450.00	63,495.00	1990
SCHMIDT, ROBERT T.	PARTNER	189.80	495.00	93,951.00	1990
HERZOG, BARRY	PARTNER	21.30	485.00	10,330.50	1992
HOLTZMAN, ROBERT N.	PARTNER	1.20	440.00	528.00	1993
BRAUN, JEFFREY L.	COUNSEL	13.10	525.00	6,877.50	1973
BRAUN, JEFFREY L.	COUNSEL	101.10	550.00	55,605.00	1973
O'NEILL, P. BRADLEY	SPEC COUNS	162.10	475.00	76,997.50	1991
BRADY, MARY JO	ASSOCIATE	7.50	430.00	3,225.00	1996
CHASS, MARK	ASSOCIATE	176.90	465.00	82,258.50	1991
CHASS, MARK	ASSOCIATE	329.20	470.00	154,724.00	1991
KNECHT, STEVEN	ASSOCIATE	30.60	430.00	13,158.00	1992
WILLIAMS, MATTHEW J.	ASSOCIATE	47.90	380.00	18,202.00	1999
WILLIAMS, MATTHEW J.	ASSOCIATE	125.70	415.00	52,165.50	1999
HOROWITZ, JULIE K.	ASSOCIATE	1.90	470.00	893.00	1986
HOROWITZ, JULIE K.	ASSOCIATE	533.40	470.70	251,074.00	1986
COHEN, JONATHAN M.	ASSOCIATE	11.80	470.00	5,546.00	1989
ROSENBAUM, DAN A.	ASSOCIATE	7.70	425.00	3,272.50	1998

SCHEDULE OF TIME CHARGES AND RATES
FOR THE PERIOD DECEMBER 1, 2002 THROUGH DECEMBER 2, 2003

<u>ATTORNEY</u>	<u>TITLE</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>AMOUNT</u>	<u>YEAR ADMITTED</u>
RIGEL, BLAKE	ASSOCIATE	1.00	335.00	335.00	2002
RIGEL, BLAKE	ASSOCIATE	5.10	365.00	1,861.50	2002
SENA, ILYSSA	ASSOCIATE	50.10	395.00	19,789.50	1999
TADELIS, JAMIE	ASSOCIATE	5.30	260.00	1,378.00	2002
TADELIS, JAMIE	ASSOCIATE	79.60	295.00	23,482.00	2002
TADELIS, JAMIE	ASSOCIATE	8.10	335.00	2,713.50	2002
O'BRIEN, BEATRICE	ASSOCIATE	0.50	395.00	197.50	----
NARMORE, JEFFREY	ASSOCIATE	4.20	295.00	1,239.00	2001
NARMORE, JEFFREY	ASSOCIATE	54.20	260.00	14,092.00	2001
NARMORE, JEFFREY	ASSOCIATE	457.70	295.00	135,021.50	2001
SCHWARTZ, MARC	ASSOCIATE	58.70	210.00	12,327.00	----
SCHWARTZ, MARC	ASSOCIATE	72.30	235.00	16,990.50	----
SCHWARTZ, MARC	ASSOCIATE	220.60	295.00	65,077.00	----
JONES, JENNIFER M	ASSOCIATE	57.20	235.00	13,442.00	----
HAWKINS, SUSAN	ASSOCIATE	37.10	425.00	15,767.50	1998
JIANG, ZHENG	ASSOCIATE	44.00	235.00	10,340.00	----
JIANG, ZHENG	ASSOCIATE	24.00	250.00	6,000.00	----
ELIASSEN, ERIN	ASSOCIATE	3.70	235.00	869.50	----
MARTINEZ, ANN	OTHER TKPR	0.70	160.00	112.00	N/A
MANGUAL, KATHLEEN	PARALEGAL	4.50	185.00	832.50	N/A
TORRES, ANTHONY	OTHER TKPR	1.00	85.00	85.00	N/A
CURNEY, LUEANN	PARALEGAL	34.50	170.00	5,865.00	N/A
KORNBLUM, SHOSHANAH	PARALEGAL	1.20	185.00	222.00	N/A
CLANCY, REGAN	PARALEGAL	1.00	185.00	185.00	N/A

SCHEDULE OF TIME CHARGES AND RATES
FOR THE PERIOD DECEMBER 1, 2002 THROUGH DECEMBER 2, 2003

<u>ATTORNEY</u>	<u>TITLE</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>AMOUNT</u>	<u>YEAR ADMITTED</u>
COTTO, LISA	PARALEGAL	1.20	175.00	210.00	N/A
COTTO, LISA	PARALEGAL	3.80	185.00	703.00	N/A
FONTEIN, LAUREN	PARALEGAL	17.40	175.00	3,045.00	N/A
FONTEIN, LAUREN	PARALEGAL	241.90	185.00	44,751.50	N/A
SHEA, JAMES	PARALEGAL	10.90	75.00	817.50	N/A
LOBELSON, REBECCA	PARALEGAL	<u>4.60</u>	75.00	<u>345.00</u>	N/A
	Total	<u>4.984.70</u>		<u>\$2,059,267.00</u>	

EXHIBIT C

**SCHEDULE OF TIME CHARGES AND RATES
FOR THE PERIOD DECEMBER 1, 2002 THROUGH DECEMBER 2, 2003**

CASE ADMINISTRATION & COMMITTEE COMMUNICATIONS

<u>ATTORNEY</u>	<u>DEPARTMENT</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>AMOUNT</u>
FELDMAN, DAVID M.	CRED	14.00	440.00	6,160.00
FELDMAN, DAVID M.	CRED	129.40	485.00	62,759.00
SCHMIDT, ROBERT T.	CRED	38.40	450.00	17,280.00
SCHMIDT, ROBERT T.	CRED	29.50	495.00	14,602.50
BRAUN, JEFFREY L.	LAND	1.00	550.00	550.00
O'NEILL, P. BRADLEY	CRED	1.50	475.00	712.50
WILLIAMS, MATTHEW J.	CRED	3.00	380.00	1,140.00
HOROWITZ, JULIE K.	CORP	1.50	470.00	705.00
TADELIS, JAMIE	CRED	5.30	260.00	1,378.00
TADELIS, JAMIE	CRED	5.70	295.00	1,681.50
TADELIS, JAMIE	CRED	1.10	335.00	368.50
O'BRIEN, BEATRICE	CRED	0.50	395.00	197.50
NARMORE, JEFFREY	CRED	30.80	260.00	8,008.00
NARMORE, JEFFREY	CRED	93.60	295.00	27,612.00
SCHWARTZ, MARC	CRED	29.30	210.00	6,153.00
SCHWARTZ, MARC	CRED	2.10	235.00	493.50
SCHWARTZ, MARC	CRED	20.00	295.00	5,900.00
<u>PARAPROFESSIONALS</u>				
MARTINEZ, ANN	LEGA	0.40	160.00	64.00
MANGUAL, KATHLEEN	CRED	2.00	185.00	370.00
TORRES, ANTHONY	LEGA	1.00	85.00	85.00
CURNEY, LUEANN	CRED	32.20	170.00	5,474.00
COTTO, LISA	CRED	1.20	175.00	210.00
COTTO, LISA	CRED	3.10	185.00	573.50
FONTEIN, LAUREN	CRED	17.40	175.00	3,045.00
FONTEIN, LAUREN	CRED	91.40	185.00	16,909.00
SHEA, JAMES	CRED	10.90	75.00	817.50
LOBELSON, REBECCA	CRED	4.60	75.00	345.00
	Subtotal	<u>570.90</u>	\$	<u>183,594.00</u>

SCHEDULE OF TIME CHARGES AND RATES
FOR THE PERIOD DECEMBER 1, 2002 THROUGH DECEMBER 2, 2003

EMPLOYEE ISSUES

<u>ATTORNEY</u>	<u>DEPARTMENT</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>AMOUNT</u>
ECKSTEIN, KENNETH H.	CRED	15.30	625.00	9,562.50
FELDMAN, DAVID M.	CRED	71.80	485.00	34,823.00
SCHMIDT, ROBERT T.	CRED	24.00	450.00	10,800.00
SCHMIDT, ROBERT T.	CRED	8.80	495.00	4,356.00
HOLTZMAN, ROBERT N.	LITI	1.20	440.00	528.00
KNECHT, STEVEN	LITI	30.60	430.00	13,158.00
WILLIAMS, MATTHEW J.	CRED	14.10	380.00	5,358.00
HOROWITZ, JULIE K.	CORP	1.10	470.00	517.00
HOROWITZ, JULIE K.	CORP	18.60	470.00	8,742.00
NARMORE, JEFFREY	CRED	10.10	295.00	2,979.50
SCHWARTZ, MARC	CRED	16.40	210.00	3,444.00
	Subtotal	<u>212.00</u>		\$ <u>94,268.00</u>

BANKRUPTCY MOTIONS

<u>ATTORNEY</u>	<u>DEPARTMENT</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>AMOUNT</u>
ECKSTEIN, KENNETH H.	CRED	4.40	675.00	2,970.00
FELDMAN, DAVID M.	CRED	40.60	440.00	17,864.00
FELDMAN, DAVID M.	CRED	56.10	485.00	27,208.50
SCHMIDT, ROBERT T.	CRED	16.10	450.00	7,245.00
SCHMIDT, ROBERT T.	CRED	71.80	495.00	35,541.00
HERZOG, BARRY	TAX	0.40	485.00	194.00
BRAUN, JEFFREY L.	LAND	74.00	550.00	40,700.00
WILLIAMS, MATTHEW J.	CRED	30.80	380.00	11,704.00
WILLIAMS, MATTHEW J.	CRED	125.70	415.00	52,165.50
TADELIS, JAMIE	CRED	14.10	295.00	4,159.50
TADELIS, JAMIE	CRED	2.70	335.00	904.50
NARMORE, JEFFREY	CRED	4.20	295.00	1,239.00
NARMORE, JEFFREY	CRED	18.90	260.00	4,914.00
NARMORE, JEFFREY	CRED	130.90	295.00	38,615.50

SCHEDULE OF TIME CHARGES AND RATES
FOR THE PERIOD DECEMBER 1, 2002 THROUGH DECEMBER 2, 2003

BANKRUPTCY MOTIONS

<u>ATTORNEY</u>	<u>DEPARTMENT</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>AMOUNT</u>
SCHWARTZ, MARC	CRED	13.00	210.00	2,730.00
SCHWARTZ, MARC	CRED	49.40	235.00	11,609.00
SCHWARTZ, MARC	CRED	27.50	295.00	8,112.50
<u>PARAPROFESSIONALS</u>				
MARTINEZ, ANN	LEGA	0.30	160.00	48.00
MANGUAL, KATHLEEN	CRED	1.70	185.00	314.50
KORNBLUM, SHOSHANAH	CRED	1.20	185.00	222.00
CLANCY, REGAN	CRED	1.00	185.00	185.00
COTTO, LISA	CRED	0.70	185.00	129.50
FONTEIN, LAUREN	CRED	40.20	185.00	7,437.00
	Subtotal	<u>725.70</u>		\$ <u>276,212.00</u>

SALE TRANSACTION

<u>ATTORNEY</u>	<u>DEPARTMENT</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>AMOUNT</u>
DIENSTAG, ABBE L.	CORP	8.60	460.00	3,956.00
DIENSTAG, ABBE L.	CORP	4.50	495.00	2,227.50
ECKSTEIN, KENNETH H.	CRED	30.20	625.00	18,875.00
ECKSTEIN, KENNETH H.	CRED	1.90	675.00	1,282.50
KOLEVZON, PETER S.	CORP	0.80	600.00	480.00
SPILKO, HOWARD T.	CORP	0.80	485.00	388.00
FELDMAN, DAVID M.	CRED	20.00	440.00	8,800.00
FELDMAN, DAVID M.	CRED	206.60	485.00	100,201.00
SCHMIDT, ROBERT T.	CRED	53.70	450.00	24,165.00
SCHMIDT, ROBERT T.	CRED	73.40	495.00	36,333.00
BRAUN, JEFFREY L.	LAND	13.10	525.00	6,877.50
ROSENBAUM, DAN A.	LITI	7.70	425.00	3,272.50
NARMORE, JEFFREY	CRED	4.50	260.00	1,170.00
NARMORE, JEFFREY	CRED	49.70	295.00	14,661.50
SCHWARTZ, MARC	CRED	14.70	235.00	3,454.50
<u>PARAPROFESSIONAL</u>				
FONTEIN, LAUREN	CRED	4.20	185.00	777.00
	Subtotal	<u>494.40</u>		\$ <u>226,921.00</u>

SCHEDULE OF TIME CHARGES AND RATES
FOR THE PERIOD DECEMBER 1, 2002 THROUGH DECEMBER 2, 2003

OTHER ASSET SALES

<u>ATTORNEY</u>	<u>DEPARTMENT</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>AMOUNT</u>
NARMORE, JEFFREY	CRED	0.50	295.00	147.50
	Subtotal	<u>0.50</u>		<u>\$ 147.50</u>

INTERCREDITOR ISSUES

<u>ATTORNEY</u>	<u>DEPARTMENT</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>AMOUNT</u>
FELDMAN, DAVID M.	CRED	144.50	485.00	70,082.50
BRAUN, JEFFREY L.	LAND	26.10	550.00	14,355.00
CHASS, MARK	CRED	1.60	465.00	744.00
NARMORE, JEFFREY	CRED	106.20	295.00	31,329.00
JONES, JENNIFER M	LITI	57.20	235.00	13,442.00
	Subtotal	<u>335.60</u>		<u>\$ 129,952.50</u>

PLAN OF REORGANIZATION

<u>ATTORNEY</u>	<u>DEPARTMENT</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>AMOUNT</u>
FELDMAN, DAVID M.	CRED	587.30	485.00	284,840.50
NADLER, ELLEN R.	LITI	2.30	585.00	1,345.50
HERZOG, BARRY	TAX	20.90	485.00	10,136.50
O'NEILL, P. BRADLEY	CRED	61.50	475.00	29,212.50
BRADY, MARY JO	TAX	7.50	430.00	3,225.00
CHASS, MARK	CRED	162.00	465.00	75,330.00
CHASS, MARK	CRED	329.20	470.00	154,724.00
HOROWITZ, JULIE K.	CORP	0.80	470.00	376.00
HOROWITZ, JULIE K.	CORP	436.70	470.00	205,625.00
COHEN, JONATHAN M.	REAL	11.80	470.00	5,546.00
RIGEL, BLAKE	TAX	1.00	335.00	335.00
RIGEL, BLAKE	TAX	5.10	365.00	1,861.50
TADELIS, JAMIE	CRED	58.30	295.00	17,198.50
TADELIS, JAMIE	CRED	2.30	335.00	770.50
NARMORE, JEFFREY	CRED	28.20	295.00	8,319.00
SCHWARTZ, MARC	CRED	118.10	295.00	34,839.50

SCHEDULE OF TIME CHARGES AND RATES
FOR THE PERIOD DECEMBER 1, 2002 THROUGH DECEMBER 2, 2003

PLAN OF REORGANIZATION

<u>ATTORNEY</u>	<u>DEPARTMENT</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>AMOUNT</u>
JIANG, ZHENG	TAX	44.00	235.00	10,340.00
JIANG, ZHENG	TAX	24.00	250.00	6,000.00
ELIASEN, ERIN	CRED	3.70	235.00	869.50
<u>PARAPROFESSIONALS</u>				
CURNEY, LUEANN	CRED	0.80	170.00	136.00
FONTEIN, LAUREN	CRED	40.80	185.00	7,548.00
	Subtotal	<u>1,946.30</u>		\$ <u>858,578.50</u>

CLAIM ANALYSIS

<u>ATTORNEY</u>	<u>DEPARTMENT</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>AMOUNT</u>
FELDMAN, DAVID M.	CRED	233.50	485.00	113,247.50
SCHMIDT, ROBERT T.	CRED	4.20	450.00	1,890.00
O'NEILL, P. BRADLEY	CRED	99.10	475.00	47,072.50
CHASS, MARK	CRED	13.30	465.00	6,184.50
HOROWITZ, JULIE K.	CORP	76.60	470.00	36,002.00
SENA, ILYSSA	LITI	50.10	395.00	19,789.50
TADELIS, JAMIE	CRED	1.50	295.00	442.50
TADELIS, JAMIE	CRED	2.00	335.00	670.00
NARMORE, JEFFREY	CRED	31.50	295.00	9,292.50
SCHWARTZ, MARC	CRED	51.90	295.00	15,310.50
HAWKINS, SUSAN	LITI	37.10	425.00	15,767.50
<u>PARAPROFESSIONAL</u>				
FONTEIN, LAUREN	CRED	1.20	185.00	222.00
	Subtotal	<u>602.00</u>		\$ <u>265,891.00</u>

SCHEDULE OF TIME CHARGES AND RATES
FOR THE PERIOD DECEMBER 1, 2002 THROUGH DECEMBER 2, 2003

FEE APPLICATION

<u>ATTORNEY</u>	<u>DEPARTMENT</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>AMOUNT</u>
FELDMAN, DAVID M.	CRED	1.60	485.00	776.00
NARMORE, JEFFREY	CRED	7.00	295.00	2,065.00
SCHWARTZ, MARC	CRED	3.10	295.00	914.50
<u>PARAPROFESSIONALS</u>				
MANGUAL, KATHLEEN	CRED	0.80	185.00	148.00
CURNEY, LUEANN	CRED	1.50	170.00	255.00
FONTEIN, LAUREN	CRED	64.10	185.00	11,858.50
	Subtotal	<u>78.10</u>		\$ <u>16,017.00</u>

RETENTIONS

<u>ATTORNEY</u>	<u>DEPARTMENT</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>AMOUNT</u>
FELDMAN, DAVID M.	CRED	2.10	485.00	1,018.50
SCHMIDT, ROBERT T.	CRED	4.70	450.00	2,115.00
SCHMIDT, ROBERT T.	CRED	6.30	495.00	3,118.50
SCHWARTZ, MARC	CRED	6.10	235.00	1,433.50
	Subtotal	<u>19.20</u>		\$ <u>7,685.50</u>
	Total	<u>4,984.70</u>		\$ <u>2,059,267.00</u>

EXHIBIT D

SCHEDULE OF DISBURSEMENTS
FOR THE PERIOD DECEMBER 1, 2002 THROUGH DECEMBER 2, 2003

<u>DISBURSEMENTS</u>	<u>AMOUNT</u>
TELECOPIER	367.75
VELOBINDINGS	277.50
TABS	1,262.00
PHOTOCOPYING	25,061.93
COLOR COPIES	50.00
MESSENGER SERVICE	1,987.14
MANUSCRIPT SERVICE	6,276.00
RESEARCH SERVICES	189.00
DOCUMENT PREP.	1,020.00
POSTAGE	609.49
LONG-DISTANCE TEL.	20,508.44
WESTLAW ON-LINE RESEARCH	14,552.38
LEXIS/NEXIS ON-LINE RESEARCH	4,053.75
LEGAL SEARCH FEES	134.02
OUTSIDE LEGAL FEES	2,974.03
CAB FARES	8,086.49
MEALS	3,031.88
OUT-OF-TOWN TRAVEL	4,396.34
COURT REPT'S COSTS	6,952.60
CORP. SVC./FILING	25.00
DOCUMENT RETRIEVAL FEES	<u>412.16</u>
Subtotal	<u>\$102,227.90</u>

SCHEDULE OF VOLUNTARY DISBURSMENT REDUCTIONS
FOR THE PERIOD DECEMBER 1, 2002 THROUGH DECEMBER 2, 2003

<u>DISBURSEMENTS</u>	<u>AMOUNT</u>
TELECOPIER	56.75
PHOTOCOPYING	2,591.43
MEALS	<u>109.07</u>
Subtotal	<u>\$2,757.25</u>