

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**In re** :  
: **Chapter 11 Case No.**  
**Genuity, Inc., et al.,** : **02-43558 (PCB)**  
: **Jointly Administered**  
**Debtors.** :  
: **Jointly Administered**  
: **Jointly Administered**  
: **Jointly Administered**  
: **Jointly Administered**  
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**FINAL FEE APPLICATION FOR COMPENSATION AND FOR REIMBURSEMENT  
OF EXPENSES**

Name of Applicant: **LAZARD FRÈRES & CO. LLC**

Authorized to Provide Professional Services to: Debtors and Debtors-in-Possession

Date of Retention: January 23, 2003 effective a/o November 27, 2002

Period for which Compensation and Reimbursement is Sought: November 27, 2002 through February 4, 2003

Interim Compensation Requested: \$6,250,000

Amount of Expenses Requested: \$13,933

Total Amount of Compensation Requested: **\$6,263,933**

Less: Amounts Paid to Date<sup>1</sup>: (\$6,271,142)

Net Amount of Compensation Requested<sup>2</sup>: **\$ 0**

This is a(n): \_\_\_\_\_ monthly \_\_\_\_\_ interim \_\_\_\_\_ X final application

Total time expended for the preparation of this application is approximately 5 hours.

Prior Applications filed:

Date Filed	Period Covered	Fees	Expenses	Status
N/A	N/A	N/A	N/A	N/A

<sup>1</sup> Reflects application of retainers.

<sup>2</sup> Lazard will refund to the Debtors a total of \$7,209 for overpayment of fees and expenses.

**LAZARD FRÈRES RESTRUCTURING GROUP CREDENTIALS**

**Genuity, Inc. Restructuring Team**

<b>Name</b>	<b>Highest Degree, Date</b>	<b>Licenses<sup>3</sup></b>	<b>Title</b>	<b>Business Experience (Years)</b>
<b>Barry Ridings</b>	M.B.A., Cornell University, 1975	Series 7, 24, 63	Managing Director	27
<b>Daniel Aronson</b>	BS, Skidmore, 1988	CPA, Series 7	Director	14
<b>John Gnuse</b>	M.B.A., Insead, 1996	Series 7	Director	8
<b>David Descoteaux</b>	M.B.A., University of Chicago, 1998	Series 7, 63	Vice President	9
<b>Philip Riley</b>	B.A., University of Texas, 1997	Series 7	Associate	6
<b>Nate Jones</b>	M.B.A., UC Berkeley, 2001	Series 7	Associate	6
<b>Adnan Zaman</b>	B.S., UC Berkeley, 2001	N/A	Analyst	1
<b>Emily Johnson</b>	B.A., Princeton University, 2002	N/A	Financial Analyst	1
<b>Peter Brooks</b>	Current Student, University of New South Wales, Sydney Australia	N/A	Financial Intern	< 1

<sup>3</sup> The **Series 7** examination is a required exam to obtain the main NASD series license. It is a comprehensive standardized test that covers 3 broad areas of expertise in business and financial matters: Securities Markets and Customer Accounts, Product Knowledge, and Investment and Economic Analysis.

The **Series 24** examination is for licensing NYSE managers to supervise branch activities as a General Securities Principal. The test covers such topics as: Supervision of Investment Banking, Trading Market Supervision, Sales Supervision, Primary and Secondary Markets, Supervising Customer Accounts and Orders, and Investment Companies and Retirement Plans.

The **Series 63** is required for most individuals who solicit orders for any type of security in that state. The exam covers topics such as: State Registration Laws and Procedure, Lawful Practices, and a Definition of Terms.

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X  
In re :  
Genuity, Inc., *et al.*, : Chapter 11 Case No.  
 : 02-43558 (PCB)  
 :  
 Debtors. : Jointly Administered  
 :  
-----X

**FINAL APPLICATION OF LAZARD FRÈRES & CO. LLC, AS  
INVESTMENT BANKERS FOR THE DEBTORS, FOR ALLOWANCE OF  
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND  
REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES  
INCURRED FROM NOVEMBER 27, 2002 THROUGH FEBRUARY 4, 2003**

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

Lazard Frères & Co. LLC (“Lazard”), investment banker for Genuity, Inc. and its affiliates, as debtors and debtors in possession in these chapter 11 cases (collectively, “Genuity”, the “Company” or the “Debtors”), for its final application (the “Application”), pursuant to sections 327(a) and 328(a) of title 11, United States Code (the “Bankruptcy Code”) and Rule 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for the final allowance of compensation for professional services performed by Lazard for the period commencing November 27, 2002 through and including February 4, 2003 (the “Compensation Period”), and for reimbursement of its actual and necessary expenses incurred during the Compensation Period as set forth in their engagement letter (the “Engagement Letter”), attached hereto as **Exhibit A** and as modified in the Retention Order attached hereto as **Exhibit B**, respectfully represents as follows:

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

1) Lazard seeks allowance of final compensation for professional services rendered to the Debtors during the Compensation Period in the aggregate amount of \$6.25 million and for reimbursement of expenses incurred in connection with the rendition of such services in the aggregate amount of \$13,933. During the Compensation Period, Lazard expended a total of approximately 695 hours for which compensation is requested.

2) Lazard has not entered into any agreement, express or implied, with any party in interest, including the Debtors, any creditors, or any representative of any of them, or with any attorney for such party in interest, for the purpose of fixing the fees or other compensation to be paid to Lazard for services rendered in connection herewith, from the assets of the Debtors. There is no agreement or understanding between Lazard and any other person, other than members, associates and employees of Lazard, for the sharing of compensation received or to be received for services rendered in connection with these proceedings.

3) Lazard, in its normal course of business, invoices its clients a flat monthly fee and does not charge by the hour. Thus, Lazard does not ordinarily keep time records. However, for the benefit of the Court, Lazard is recording its hourly time and has provided summaries of the time spent by professionals on each of the aforementioned services during the Compensation Period, attached hereto as **Exhibit C**.

4) Attached hereto as **Exhibit D** is a summary of the Out of Pocket Expenses specifying the categories of expenses for which Lazard is seeking reimbursement and the total amount for each such expense category incurred during the Compensation Period.

5) Prior to the commencement of these chapter 11 cases, Lazard was paid a \$25,000 retainer to be credited against any unpaid pre-petition invoices and unbilled fees,

charges and disbursements, it being understood that the unused portion of the retainer shall be held by Lazard and applied against any fees requested pursuant to fee applications. Lazard has applied \$3,858 for pre-petition expenses, leaving \$21,142 that Lazard is applying against the amount requested herein. Lazard will refund to the Debtors any amount not applied to expenses incurred as set forth the Application.

### **BACKGROUND**

6) On the Petition Date, each of the Debtors commenced a case under chapter 11 of the Bankruptcy Code. The Debtors continue to be authorized to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

7) Lazard was retained as financial advisor to the Debtors to perform services set forth in the Engagement Letter. The Debtors retained Lazard due to its well-established reputation and expertise in investment banking, particularly in the restructuring and bankruptcy area. Lazard's Restructuring Group consists of an experienced group of professionals dedicated to providing advisory services in the area of debt restructuring and business reorganizations. Lazard's Restructuring Group has been involved in over 200 assignments since 1990 including both out-of-court and Chapter 11 restructurings, representing over \$300 billion of indebtedness.

8) The Court approved the Debtors' retention of Lazard as investment banker at a rate of \$250,000 per month, with the understanding that all the payments made after November 25, 2002 will be credited against a Restructuring Fee of \$6.5 million<sup>(1)</sup>, plus reimbursement of expenses, in the Retention Order, attached hereto as **Exhibit B**.

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<sup>(1)</sup> The Court approved Lazard's Restructuring Fee payable upon a Closing on an interim basis pursuant to Bankruptcy Code Sections 328(a) and 331, without the filing of an interim fee application. Lazard is filing this Application for final approval pursuant to the Order.

9) All services for which Lazard requests compensation were performed for or on behalf of the Debtors.

10) The Office of the United States Trustee has appointed a statutory creditors' committee (the "Committee") pursuant to section 1102(a) of the Bankruptcy Code. No trustee or examiner has been appointed in the Debtors' chapter 11 cases.

### **SUMMARY OF SERVICES**

11) The Managing Directors, Directors, Associates, and Analysts of Lazard who have rendered professional services in these cases are as follows: Barry Ridings (Managing Director), Daniel Aronson (Director), John Gnuse (Director), David Descoteaux (Vice President), Philip Riley (Associate), Nate Jones (Associate), Adnan Zaman (Analyst), Emily Johnson (Analyst) and Peter Brooks (Financial Intern).

12) During the Compensation Period, the Debtors relied heavily on the experience and expertise of the above-named persons in dealing with matters described in Paragraph 13. As a result, Lazard's highly skilled restructuring professionals devoted significant time and effort to perform properly and expeditiously the required professional services.

13) A summary of some of the services rendered by Lazard during the Compensation Period are as follows:

- a) *Determination of Short-Term Liquidity Requirements and Negotiation with the Bank Group:* Lazard assisted the Debtors in determining their short-term liquidity needs, including advising them with respect to the timing, need and amount of any payment made to the Bank Group.

- b) *Assistance with Court Filings:* Lazard reviewed and helped draft certain sections of the Debtors' Court filings relating to the asset purchase agreement, key employee retention program and other such matters that have come before this Court.
- c) *Review and Analysis of the Debtor's Business, Operations and Financial Projections:* Lazard used its industry expertise to help the Company evaluate its business, operations and financial projections. In particular, Lazard assisted the Company in creating an extensive operating and financial model to assist in evaluating cash burn and advised the Company with respect to industry norms and the performance of peer telecommunication companies as a benchmark against which to measure Genuity's performance.
- d) *Financial Modeling:* Lazard assisted the Debtor in the evaluation of its business plan. In order to accomplish this, Lazard and the Company created an extensive financial model with the ability to perform sensitivity analyses on the Debtor's operating assumptions and business lines included in the business plan. This process has required significant discussion with management both in person and via telephone.
- e) *Case Studies:* Lazard researched and analyzed numerous precedent reorganization transactions in the telecommunications industry. Lazard presented its findings as case studies to the Company to illustrate a sampling of various qualitative and quantitative metrics, including, among others, average return to creditors and the amount of time spent in bankruptcy. Lazard also researched selected liquidation analyses that were prepared by comparable Companies and filed in the disclosure statements of precedent reorganizations. Lazard included those findings in the case studies presented to the Company.

- f) *Preparation for and Participation in Meetings of the Board of Directors:* Lazard attended numerous meeting of the Debtors' board of directors. Lazard prepared various presentations on issues of a financial/ investment banking matter or regarding strategic bankruptcy issues.
- g) *Due Diligence Process / Negotiations with Level 3:* Lazard participated in the due diligence process conducted by Level 3, and responded to the informational requests of Level 3 and its advisors through interfacing with the relevant personnel at the Company or the other advisors to the Company. Additionally, Lazard participated in strategic discussions and meetings regarding a potential transaction with Level 3, including negotiations on the drafting of the asset purchase agreement.
- h) *Analysis of Level 3 Transaction:* Lazard evaluated the Level 3 transaction, including summarizing the Level 3 deal terms, analyzing the cash and non-cash consideration being offered to creditors, and building a financial model which compared qualitative and quantitative aspects of the Level 3 transaction to those of a hypothetical orderly liquidation.
- i) *Marketing Process:* Using its industry expertise and contacts, Lazard conducted an extensive and exhaustive marketing process. The process included selecting both strategic and financial potential buyers, organizing and conducting all communication with potential bidders, preparing and circulating an offering memorandum on the business, and determining if selected parties had the financial ability to fund the Debtor's business plan or purchase the Debtor's business. Lazard contacted a total of 45 such potential buyers and managed the due diligence and information requests of the interested parties.



- j) *Discussions with Other Interested Parties:* Several other potential strategic partners and interested parties and their representatives contacted Lazard. Lazard met and had telephonic conversations with representatives of other interested parties on several occasions and provided those representatives with such non-confidential information about the Debtors as was appropriate. Lazard assisted the Debtors in responding to and evaluating these and other inquiries that were received.
- k) *Due Diligence process, Including Organizing and Participating in Due Diligence by Potential Buyers and Advisors to the Creditors Committee:* Lazard responded to the informational requests of the various parties in interest through interfacing with the relevant personnel at the Company or the other advisors to the Company. As part of this, Lazard prepared for and participated in various in-person meetings with both secured and unsecured Creditors and their respective advisors.
- l) *Analysis of Bid Proposals by Other Interested Parties:* Lazard professionals reviewed and analyzed a bid proposal made by an alternative buyer, and assisted the Debtors and the Debtors' advisors in analyzing the bid to determine whether or not it constituted a Qualified Bid, as defined by the court-approved bidding procedures. This included comparing the alternative bid to the Level 3 transaction, and discussing the proposed terms of the deal with an alternative bidder.
- m) *Analysis of Management Retention and Severance Proposals:* Lazard professionals reviewed and analyzed various management retention and severance proposals put forth by the Debtors. Lazard analyzed various retention programs used by other companies in chapter 11 for comparison with the Debtor's plan. In addition, Lazard, along with the Debtor's Counsel, participated in Board of Director's meetings discussing the proposed

plan, and participated in negotiations, both in person and via telephone, with various creditors regarding such plan.

- n) *Preparation of Lazard Retention Documentation:* Lazard prepared the requisite documentation for retention in these cases.

#### **ACTUAL AND NECESSARY DISBURSEMENTS OF LAZARD**

14) As set forth on **Exhibit D** annexed hereto, Lazard has disbursed \$13,933 as expenses incurred in providing professional services during the Compensation Period. Lazard has maintained detailed records of actual and necessary expenses incurred during the Compensation Period. With respect to expenses, it should be noted that Lazard has absorbed certain expenses customarily charged by other professionals in bankruptcy cases. For example, Lazard does not allocate office telephonic charges by client and thus these costs are absorbed by Lazard in its overhead and not charged to the Debtors' estate. Lazard respectfully submits that the expenses for which it seeks allowance during the Compensation Period are necessary and reasonable both in scope and amount.

15) Prior to the Petition Date, the Debtors paid Lazard a \$25,000.00 retainer (the "Expense Retainer") with the understanding that this amount would be applied against any pre-petition and post-petition expenses incurred. Lazard has applied \$3,858 for expenses incurred through November 26, 2002, leaving \$21,142 to be applied against post-petition expenses (the "Unapplied Expense Retainer"). Lazard has applied this amount to the \$13,933 of expenses requested in this Application, leaving \$7,209 to be refunded to the Debtors.

## CONCLUSION

16) It is respectfully submitted that the amount requested by Lazard is fair and reasonable given (a) the complexity of the issues presented, (b) the time and labor required, (c) the skill necessary to perform the financial advisory services, (d) the preclusion of other employment, (e) the employment of proprietary knowledge and experience with respect to the industry and capital markets and (f) the customary fees charged to clients in bankruptcy and non-bankruptcy situations.

17) WHEREFORE Lazard respectfully requests (i) a final compensation for professional services rendered during the Compensation Period in the amount of \$6,250,000 and reimbursement for actual and necessary expenses Lazard incurred during the Compensation Period in the amount of \$13,933; (ii) the allowance of such compensation for professional services rendered and reimbursement of actual and necessary expenses incurred be without prejudice to Lazard's right to seek additional compensation for services performed and expenses incurred to during the Compensation Period which were not processed at the time of this Application; and (iii) such other and further relief as is just.

Total Fees Requested	\$6,250,000
Total Expenses Requested	13,933
<b>Total Amount of Compensation Requested</b>	<b>\$6,263,933</b>
Less: Amounts Paid to Date <sup>4</sup>	(6,271,142)
<b>Net Amount of Compensation Requested</b>	<b>\$0</b>

Dated: New York, New York  
April 25, 2003

*/s/Daniel Aronson*

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Daniel Aronson  
Director  
LAZARD FRÈRES & CO. LLC  
30 Rockefeller Plaza  
New York, New York 10020  
(212) 632-6000

Investment Banker for the Debtors and  
Debtors in Possession

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<sup>4</sup> Lazard will refund to the Debtors a total of \$7,209 for overpayment of fees and expenses.

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**In re** :  
 : **Chapter 11 Case No.**  
**Genuity, Inc., et al.,** : **02-43558 (PCB)**  
 :  
 : **Jointly Administered**  
**Debtors.** :  
 :  
-----X

DANIEL ARONSON, being duly sworn, deposes and says:

1. I am an employee of Lazard Frères & Co. LLC (“Lazard”), which firm maintains offices for providing investment banking services at 30 Rockefeller Plaza, New York, New York 10020. Lazard has acted as investment banker to and rendered professional services on behalf of Genuity, Inc., as debtors and debtors in possession in these chapter 11 cases (collectively, “Genuity”, the “Company” or the “Debtors”).

2. This affidavit is submitted pursuant to Bankruptcy Code Rule 2016 in connection with Lazard’s application (the “Application”) for an allowance of interim compensation for services rendered to the Debtors from November 27, 2002 through February 4, 2003 in the amount of \$6,250,000 and approval of reimbursement of out-of-pocket expenses incurred in connection therewith in the sum of \$13,933 for a total of \$6,263,933. The net compensation requested, after crediting payments received, is \$0.

3. All of the services for which compensation is sought by Lazard were performed for and on behalf of the Debtors and not on behalf of any other person.

4. No agreement or understanding exists between Lazard and any other entity for the sharing of compensation received or to be received for services rendered in or in connection with these cases.

Daniel Aronson

Daniel Aronson  
Director

Sworn to before me this 25<sup>th</sup> day of April, 2003

/s/ Hanna Murnane

Hanna Murnane

Notary Public , State of New York

No. 41-4729327

Qualified in Queens County

Commission Expires March 30, 2006

# EXHIBIT A

## Engagement Letter

# LAZARD

LAZARD FRÈRES & Co. LLC  
30 ROCKEFELLER PLAZA  
NEW YORK, NY 10020  
PHONE 212 - 632 - 6000  
www.lazard.com

July 25, 2002

Genuity Inc.  
225 Presidential Way  
Woburn, MA 01801

Attention: Daniel P. O'Brien  
Executive Vice President and Chief Financial Officer

Dear Sirs:

This letter agreement (the "Agreement") confirms the understanding and agreement between Lazard Frères & Co. LLC ("Lazard") and Genuity Inc. (collectively, with all of its subsidiaries, the "Company").

Assignment Scope:

The Company hereby retains Lazard as its sole investment banker to provide the Company with general restructuring advice and to advise it in connection with any Restructuring (as defined below) on the terms and conditions set forth herein. As used in this Agreement, the term "Restructuring" shall mean, collectively, any restructuring, reorganization (whether or not pursuant to Chapter 11 of the United States Bankruptcy Code) and/or recapitalization of a substantial portion of the Company's Existing Obligations (as defined below) as approved by the Company's Board of Directors that is achieved, without limitation, through a solicitation of waivers and consents, rescheduling of debt maturities, change in interest rates, repurchase, settlement or forgiveness of debt, conversion of debt into equity, an exchange offer involving new securities, an issuance of new securities, a sale or disposition of assets, sale of debt or equity securities or other interests, or other similar transaction or series of transactions. By signing this Agreement, we hereby accept our appointment as your sole investment banker under the terms hereof. For purposes of this Agreement, "Existing Obligations" means all outstanding borrowed money indebtedness (including accrued interest thereon), trade payables, capitalized lease obligations and other liabilities of the Company as of the date of this Agreement other than the borrowed money indebtedness (including accrued interest thereon), trade payables, capitalized lease obligations and other liabilities of Integra S.A. and its subsidiaries.

Description of Services:

1. Lazard agrees, in consideration of the compensation provided in Section 2 below, to perform such of the following investment banking services as the Company may reasonably request, including:

- (a) A review and analysis of the Company's business, operations and financial projections;



- (b) Evaluating the Company's potential debt capacity in light of its projected cash flows;
- (c) Assisting in the determination of a capital structure for the Company;
- (d) Determining a range of values for the Company on a going concern basis;
- (e) Advising the Company on tactics and strategies for negotiating with the holders of the Existing Obligations (the "Stakeholders");
- (f) Rendering financial advice to the Company and participating in meetings or negotiations with the Stakeholders and/or Rating agencies or other relevant parties or regulatory bodies in connection with any restructuring, modification or refinancing of the Company's Existing Obligations;
- (g) Advising the Company on the timing, nature, and terms of new securities, other consideration and/or other inducements to be offered pursuant to the Restructuring;
- (h) Assisting the Company in preparing documentation within our area of expertise that is required in connection with the Restructuring;
- (i) Advising and attending meetings of the Company's Board of Directors and its committees;
- (j) Providing testimony, as necessary, in any proceeding before the Bankruptcy Court;
- (k) Providing the Company with other appropriate general restructuring advice;
- (l) Assisting the Company in the preparation of a liquidation analysis in connection with a proposed Chapter 11 plan of reorganization; and
- (m) Assisting the Company in finding bidders for all or part of the Company's business.

Fees:

2. As consideration for the services to be provided, the Company shall pay Lazard certain fees as follows:

- (a) A monthly fee of \$250,000, payable in advance of each month's service, the first payment of which shall be due on execution of this agreement and thereafter payment shall be due on the 25th day of each month thereafter until the earlier of the completion of the Restructuring or the termination of Lazard's engagement pursuant to paragraph 10;

- (b) A cash fee equal to \$9.0 million upon the final consummation of a Restructuring (the "Restructuring Fee"), provided, however, that commencing with the payment due on November 25, 2002, any monthly fees will be credited against any Restructuring Fee, provided, further, that in no event will the Company be required to pay the Restructuring Fee more than once;
- (c) In addition to any fees that may be payable to Lazard and, regardless of whether any transaction occurs, the Company shall promptly reimburse Lazard for all: (i) reasonable and reasonably documented out-of pocket expenses (including travel and lodging, data processing and communications charges, courier services and other appropriate expenditures) and (ii) other reasonable and reasonably documented fees and expenses, including expenses of outside counsel, if any, provided, however, Lazard must obtain the Company's prior written consent (not to be unreasonably withheld) for expenses under this Section 2(c) in excess of \$50,000;
- (d) As part of the compensation payable to Lazard hereunder, the Company agrees to the indemnification and contribution provisions (the "Indemnification Letter") attached to this Agreement as Addendum A and incorporated herein in their entirety; and
- (e) All amounts hereunder shall be paid promptly after such amounts accrue hereunder.

Retention in Chapter 11 Proceedings:

3. In the event of the Company's commencement of chapter 11 proceedings, the Company agrees that it will use reasonable best efforts to obtain prompt authorization from the Bankruptcy Court to retain Lazard on the terms and conditions set forth in this Agreement under the provisions of Section 328(a) of the Bankruptcy Code. Subject to being so retained, Lazard agrees that during the pendency of any such proceedings, it shall continue to perform its obligations under this Agreement and that it shall file interim and final applications for allowance of the fees and expenses payable to it under the terms of this Agreement pursuant to the applicable Federal Rules of Bankruptcy Procedure, and the local rules and order of the Bankruptcy Court. The order of the Bankruptcy Court approving the Agreement and authorizing Lazard's retention shall be acceptable to Lazard in its sole discretion. In so agreeing to seek Lazard's retention under Section 328(a) of the Bankruptcy Code, the Company acknowledges that it believes that Lazard's general restructuring experience and expertise, its knowledge of the capital markets and its merger and acquisition capabilities will inure to the benefit of the Company in pursuing any Restructuring, that the value to the Company of Lazard's services hereunder derives in substantial part from that expertise and experience and that, accordingly, the structure and amount of the contingent Restructuring Fee is reasonable regardless of the number of hours to be expended by Lazard's professionals in the performance of the services to be provided hereunder.

Other:

4. No fee payable to any other person, by you or any other party, shall reduce or otherwise affect any fee payable hereunder to us.

5. The Company will furnish or cause to be furnished to Lazard such current and historical financial information and other information regarding the business of the Company as Lazard may request in connection with this engagement. The Company agrees to keep Lazard advised of all material developments affecting the Company or its financial position. In performing its services pursuant to this Agreement, including in connection with any valuation of the Company, Lazard shall be entitled to rely upon information furnished to it by the Company or that is publicly available, may assume the accuracy and completeness of such information and shall not assume any responsibility for independent verification of any such information. Lazard will not, as part of its engagement, undertake any independent valuation or appraisal of any of the assets or liabilities of the Company or of any third party, or opine or give advice to the Board of Directors, the Company or management or shareholders with respect thereto.

6. In performing its services pursuant to this Agreement, Lazard is not assuming any responsibility for the decision of the Company or any other party to pursue (or not to pursue) any business strategy or to effect (or not to effect) any Restructuring or other transaction. Lazard shall not have any obligation or responsibility to provide "crisis management" for or business consultant services to the Company, and shall have no responsibility for designing or implementing operating, organizational, administrative, cash management or liquidity improvements; nor shall Lazard be responsible for providing any tax, legal or other specialist advice.

7. It is understood and agreed that nothing contained in this Agreement shall constitute an express or implied commitment by Lazard to underwrite, place or purchase any securities in a financing or otherwise, which commitment shall only be set forth in a separate underwriting, placement agency or purchase agreement, as applicable, relating to the financing.

8. Simultaneously herewith, the parties hereto are entering into the Indemnification Letter. The Indemnification Letter shall survive any termination or expiration of this Agreement.

9. In order to coordinate our efforts on behalf of the Company during the period of our engagement hereunder, in the event the Company receives an inquiry concerning any potential strategic and reasonably credible transaction that is of interest to the Company, the Company will promptly inform Lazard of such inquiry so that we can assess such inquiry and assist in any resulting negotiations. In the event that Lazard receives an inquiry concerning any transaction, we will promptly inform the Company of such inquiry.

10. Our engagement hereunder may be terminated by you or us at any time without liability or continuing obligation to you or us, except that following such termination and any expiration of this agreement (a) we shall remain entitled to any fees accrued pursuant to Section 2 but not yet paid prior to such termination or expiration, as the case may be, and to reimbursement of expenses pursuant to Section 2(c) incurred prior to such termination or expiration, as the case may be, and (b) in the case of termination by the Company and any expiration of this agreement, in either case, prior to the payment of a Restructuring Fee and other than as a result of a material breach of this Agreement by Lazard, we shall remain entitled to full

LAZARD

payment of all fees contemplated by Section 2 hereof in respect to any Restructuring announced or resulting from negotiations commenced during the period from the date hereof until one year following such termination or expiration, as the case may be.

11. The Company recognizes that Lazard has been engaged only by the Company and that the Company's engagement of Lazard is not deemed to be on behalf of and is not intended to confer rights upon any shareholder, partner or other owner of the Company, any creditor, lender or any other person not a party hereto as against Lazard or any of its affiliates or any of their respective directors, officers, agents, employees or representatives. Unless otherwise expressly agreed, no one other than the Company management or Board of Directors, is authorized to rely upon the Company's engagement of Lazard or any statements, advice, opinions or conduct by Lazard. Without limiting the foregoing, any advice, written or oral rendered to the Company's Board of Directors or management in the course of the Company's engagement of Lazard are solely for the purpose of assisting the Board or management, as the case may be, in evaluating the Restructuring and do not constitute a recommendation to any stakeholder of the Company that such stakeholder might or should take in connection with the Restructuring or any other transaction. Lazard's role herein is that of an independent contractor; nothing herein is intended to create or shall be construed as creating a fiduciary relationship between Lazard and the Company or its Board of Directors.

12. In connection with the services to be provided hereunder, Lazard may employ the services of its affiliates and such affiliates may share with Lazard any information concerning the Company and its subsidiaries, provided that Lazard and such affiliates shall hold any nonpublic information confidential in accordance with their respective customary policies relating to non-public information. Any such affiliate so employed (and its directors, officers, employees, agents, attorneys, and affiliates) shall be entitled to all of the benefits afforded to Lazard hereunder and shall be entitled to be reimbursed for its costs and expenses on the same basis as Lazard.

13. The provisions hereof shall inure to the benefits of and be binding upon the successors and assigns of the Company, Lazard and any other person entitled to indemnity under the Indemnification Letter. This agreement may be amended, modified or supplemented only by written instrument by the parties hereto.

14. All non-public information concerning the Company, which is given to Lazard by or on behalf of the Company during the course of Lazard's engagement hereunder will be used solely in the course of the performance of services hereunder and will be treated confidentially by Lazard for so long as it remains non-public. Except as contemplated in the performance of Lazard's services hereunder or as otherwise required by law or by applicable regulators or by judicial or regulatory process, Lazard will not disclose such information to a third party without the Company's prior consent. Lazard's obligations under the immediately preceding sentences will terminate on the first anniversary of the date of the termination of Lazard's engagement under this letter agreement.

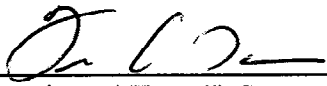
15. This letter agreement and any claim related directly or indirectly to this Agreement (including any claim concerning advice provided pursuant to this agreement) shall be governed by and construed in accordance with the laws of the State of New York without regard to the principle of conflicts of law. No such claim shall be commenced, prosecuted or continued in any forum other than the courts of the State of New York located in the City and County of New York or in the

United States District Court for the Southern District of New York, and each of the parties hereby submits to the jurisdiction of such courts, provided, however, that if the Company commences proceedings under chapter 11 of the bankruptcy code, the parties consent to the jurisdiction of court for such proceedings. The Company hereby waives on behalf of itself and its successors and assigns any and all right to argue that the choice of law or forum provision is or has become unreasonable in any legal proceeding. Each of Lazard and the Company waives all right to trial by jury in any action, proceeding or counterclaim (whether based upon contract, tort or otherwise) related to or arising out of the engagement of Lazard pursuant to, or the performance by Lazard of the services contemplated by, this Agreement.

If the foregoing Agreement is in accordance with your understanding of the terms of our engagement, please sign and return to us the enclosed duplicate hereof.

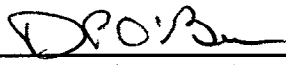
Very truly yours,

LAZARD FRERES & CO. LLC

By:   
\_\_\_\_\_  
Frank A. ("Terry") Savage  
Managing Director

Accepted and Agreed to as of the date first written above.

GENUITY INC.

By:   
\_\_\_\_\_  
Daniel P. O'Brien  
Executive Vice President and Chief Financial Officer

# LAZARD

## ADDENDUM A

July 25, 2002

Genuity Inc.  
225 Presidential Way  
Woburn MA 01801

Attention: Daniel P. O'Brien  
Executive Vice President and Chief Financial Officer

Dear Sirs:

In connection with our engagement to advise and assist you with the matters set forth in the engagement letter of even date herewith, you and we are entering into this letter agreement. It is understood and agreed that in the event that Lazard Frères & Co. LLC ("Lazard") or any of our members, employees, agents, affiliates or controlling persons, if any (each of the foregoing, including Lazard Frères & Co. LLC, being an "Indemnified Person"), become involved in any capacity in any action, claim, proceeding or investigation brought or threatened by or against any person, including your stockholders, related to, arising out of or in connection with our engagement, you will promptly reimburse each such Indemnified Person for its legal and other expenses (including the cost of any investigation and preparation) as and when they are incurred in connection therewith and you will indemnify and hold harmless each Indemnified Person from and against any losses, claims, damages, liabilities or expense to which any Indemnified Person may become subject under any applicable federal or state law, or otherwise, in connection with such Indemnified Person's involvement in any capacity with any pending or threatened action, proceeding or investigation related to, arising out of or in connection with our engagement, whether or not any pending or threatened action, claim, proceeding or investigation giving rise to such losses, claims, damages, liabilities or expenses is initiated or brought by or on your behalf and whether or not in connection with any action, proceeding or investigation in which you or such Indemnified Persons are a party, except to the extent that any such loss, claim, damage, liability or expenses is found by a court of competent jurisdiction in a judgment to have resulted primarily from such Indemnified Person's willful misconduct, bad faith or gross negligence. You also agree that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to you or your security holders or creditors related to, arising out of or in connection with our engagement except to the extent that any loss, claim, damage or liability is found by a court of competent jurisdiction in a judgment to have resulted primarily from such Indemnified Person's willful misconduct, bad faith, or gross negligence.

If for any reason the foregoing indemnification is held unenforceable, then you shall

contribute to the loss, claim, damage, liability or expense for which such indemnification is held unenforceable in such proportion as is appropriate to reflect the relative benefits received, or sought to be received, by you and your stockholders on the one hand and the party entitled to contribution on the other hand in the matters contemplated by our engagement as well as the relative fault of yourselves and ourselves or such party with respect to such loss, claim, damage, liability or expense and any other relevant equitable considerations. You agree that for the purposes hereof the relative benefits received, or sought to be received, by you and your stockholders and ourselves shall be deemed to be in the same proportion as (i) the total value paid or proposed to be paid or received by you or your stockholders, as the case may be, pursuant to the transaction (whether or not consummated) for which we have been engaged to perform investment banking services bears to (ii) the fees paid or proposed to be paid to us in connection with such engagement; provided, however, that, to the extent permitted by applicable law, in no event shall we or any other Indemnified Person be required to contribute an aggregate amount in excess of the aggregate fees actually paid to us for such investment banking services. Your reimbursement, indemnity and contribution obligations under this letter shall be in addition to any liability which you may otherwise have, shall not be limited by any rights we or any other Indemnified Person may otherwise have and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of yourselves, ourselves, and any other Indemnified Persons.


Upon receipt by an Indemnified Person of actual notice of any action, claim, suit or proceeding (collectively, an "Action") against such Indemnified Person with respect to which indemnity may be sought under this Agreement, such Indemnified Person will promptly notify you in writing; provided, however, that failure to so notify you will not relieve you from any liability which you may have on account of this indemnity or otherwise, except to the extent you are materially prejudiced by such failure. You will be entitled to participate at your own expense in the defense of any Action brought to enforce any claim or liability of any Indemnified Person resulting from any such Action and, if you so elect, you will be entitled to assume the defense of such Action at your expense, including the employment of counsel reasonably acceptable to us (in which case you will not thereafter be responsible for the fees, costs and expenses of any separate counsel retained by an Indemnified Person). Notwithstanding the foregoing, an Indemnified Person will have the right to employ one set of separate counsel (plus one set of local counsel, if necessary) in the defense of an Action, and you will bear the reasonable fees and expenses of such separate counsel if the use of counsel chosen by you to represent the Indemnified Person would present, in your outside counsel's opinion, such counsel with an actual or potential conflict of interest, or for so long as you fail to assume the defense of such Action in a timely manner. In no event will you be responsible hereunder for the fees and expenses of more than one counsel (plus one set of local counsel, if necessary) for any Indemnified Person in connection with an Action in the same jurisdiction.

You agree that, without our prior written consent (which will not be unreasonably withheld), you will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action, or proceeding or investigation in respect of which indemnification or contribution could be sought hereunder (whether or not we or any other Indemnified Persons are reasonably likely to become a party to such claim, action or proceeding or investigation, or unless such settlement, compromise or consent involves only money damages), unless such settlement, compromise or consent includes an unconditional release of

each Indemnified Person from all liability arising out of such claim, action or proceeding or investigation, or unless such settlement involves only money. No waiver, amendment or other modification of this agreement shall be effective unless in writing and signed by each party to be bound thereby. This agreement and any claim related directly or indirectly to this agreement (including any claim arising in respect of advice provided pursuant to our engagement) shall be governed and construed in accordance with the laws of the State of New York (without giving regard to the conflicts of law provisions thereof). No such claim shall be commenced, prosecuted or continued in any forum other than the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York, and each of us hereby submits to the exclusive jurisdiction of such courts. You hereby waive on behalf of yourself and your successors and assigns any and all right to argue that the choice of law or forum provision is or has become unreasonable in any legal proceeding. We and you (on your own behalf and, to the extent permitted by applicable law, on behalf of your stockholders and creditors) waive all right to trial by jury in any action, proceeding or counterclaim (whether based upon contract, tort or otherwise) related to or arising out of or in connection with our engagement. This agreement shall remain in effect indefinitely, notwithstanding any termination or expiration of our engagement.

Very truly yours,

LAZARD FRERES & CO. LLC

By 

Frank A. ("Terry") Savage  
Managing Director

Accepted and Agreed to as of the date first written above.

GENUITY INC.

By 

Daniel P. O'Brien  
Executive Vice President and Chief Financial Officer



LAZARD

LAZARD FRÈRES & Co. LLC  
30 ROCKEFELLER PLAZA  
NEW YORK, NY 10020  
PHONE 212 - 632 - 6000  
www.lazard.com

July 25, 2002

Genuity Inc.  
225 Presidential Way  
Woburn, MA 01801

Attention: Daniel P. O'Brien  
Executive Vice President and Chief Financial Officer

Dear Sirs:

In connection with our engagement to advise and assist you with the matters set forth in the engagement letter of even date herewith, you and we are entering into this letter agreement. If requested by the Board of Directors of Genuity Inc. (collectively with all of its subsidiaries, the "Company"), it is understood and agreed that in the event of a sale of all or substantially all of the Company, an interest in the Company or a subsidiary or division of the Company or a substantial portion of the Company's assets to another corporation or other business entity (a "Buyer"), which transaction may take the form of a merger or a sale of assets or equity securities or other interests (the "Transaction"), and such a Transaction does not occur in connection with a Chapter 7 or Chapter 11 plan of reorganization, we will render an opinion (the "Opinion") as to the fairness to the Company or its stockholders, from a financial point of view, of the consideration to be received pursuant to the Transaction, and will furnish to the Company a letter expressing such Opinion for inclusion in material that may be provided to the stockholders of the Company and filed with the Securities and Exchange Commission or other regulatory authority. The Opinion shall be in such customary form and with such qualifications as determined appropriate by Lazard, including that Lazard has relied upon the information furnished to it by the Company and the Buyer or publicly available, has assumed the accuracy and completeness of such information and has not assumed any responsibility for independent verification of such information.

Lazard will not, as part of the Opinion or any other aspect of this engagement, undertake any independent valuation or appraisal of any of the assets or liabilities of the Company or the Buyer, or opine or give advice to the Board of Directors of the Company or management or shareholders of the Company on any issues of solvency. Any solvency opinion or issues addressed will be the responsibility of an independent solvency professional or professionals to be retained by the Board of Directors of the Company, the Company or the Buyer. We will have no responsibility for monitoring the work or opinions of such solvency professionals.

LAZARD

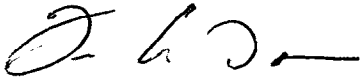
GENUITY INC.  
FAIRNESS OPINION LETTER  
JULY 25, 2002  
Page 2

Lazard will assign each of Barry Ridings and Daniel Aronson to this engagement. If one of the foregoing persons are no longer employed by Lazard, Lazard may replace such person with another employee of Lazard who, in Lazard's opinion, is reasonably comparable.

This agreement shall remain in effect indefinitely, notwithstanding any termination or expiration of our engagement.

Very truly yours,


LAZARD FRERES & CO. LLC

By 

Frank A. ("Terry") Savage  
Managing Director

Accepted and Agreed to as of the date first written above.

GENUITY INC.

By. 

Daniel P. O'Brien  
Executive Vice President and Chief Financial Officer

# EXHIBIT B

## Retention Order

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

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

**ORDER ON DEBTORS' APPLICATION FOR ORDER PURSUANT TO  
11 U.S.C. §§ 327(A) AND 328(A) AND FED R. BANKR. P. 2014(A) AUTHORIZING  
RETENTION OF LAZARD FRÈRES & CO. LLC AS FINANCIAL ADVISORS AND  
INVESTMENT BANKERS FOR DEBTORS-IN-POSSESSION**

Upon the Application, dated November 27, 2002 (the "Application") of Genuity Inc. ("Genuity") and certain of its subsidiaries, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), for an order under 11 U.S.C. §§ 327(a) and 328(a) and Fed. R. Bankr. P. 2014(a) authorizing retention of Lazard Frères & Co. LLC ("Lazard") as financial advisors and investment bankers for the Debtors,<sup>1</sup> on the terms set forth in its engagement letter and the related indemnification agreement (together, the "Lazard Agreement"), all as more fully set forth in the Application; and upon consideration of the Ridings Affidavit and the O'Brien Affidavit; and the Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Standing Order of Referral of Cases to the Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 19, 1984 (Ward, Acting, C.J.); and consideration of the

<sup>1</sup> Capitalized terms defined in the Application and not otherwise defined herein are used herein with the meanings so defined.

Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice having been sent to all creditors, and it appearing that no other or further notice need be provided; and the relief requested in the Application being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Application and at the Hearing established just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Application is GRANTED, as modified hereby.
2. Subject to the provisions of paragraph 3 below, pursuant to 11 U.S.C. §§ 327(a) and 328(a) and Fed. R. Bankr. P. 2014 and 2016, the Debtors are authorized to employ and retain Lazard as their investment bankers as of the commencement of these Chapter 11 cases on the terms set forth in the Application and this Order, and to the extent consistent with the Application, this Order and the Lazard Agreement.
3. Pursuant to an agreement confirmed on the record between Lazard and the Official Committee of Unsecured Creditors, the Engagement Letter is amended to provide that:
  - (a) the Restructuring Fee shall be \$6.5 million, and shall be payable upon the earlier to occur of (i) the closing (a “Closing”) of any sale of substantially all of the Debtors’ assets and (ii) consummation of a Restructuring; and

(b) no Monthly Advisory Fees shall be paid after such a Closing.

4. Lazard shall be compensated in accordance with the terms described in the Lazard Agreement pursuant to the standard of review under Bankruptcy Code Section 328(a) and not subject to review under Bankruptcy Code Section 330 except as provided for in paragraph 5 below; subject to the approval of this Court and the procedures set forth in the Application, the Administrative Order Establishing Interim Compensation and Expense Reimbursement Procedures (the “Compensation Procedures Order”) (Docket No. 259), the Bankruptcy Code, the Bankruptcy Rules, the Local Rules of the United States Bankruptcy Court for the Southern District of New York (the “Local Bankruptcy Rules”), and further orders of this Court.

5. The Office of the United States Trustee (the “United States Trustee”) retains all rights to review Lazard’s interim and final fee applications (including expense reimbursement) on all grounds including Bankruptcy Code 330.

6. The Restructuring Fee payable upon a Closing is hereby approved on an interim basis pursuant to Bankruptcy Code Sections 328(a) and 331, without the filing of an interim fee application at this time. The Debtors are authorized and directed to make such payment of the Restructuring Fee payable upon a Closing. Forthwith after such a Closing, Lazard shall file an interim fee application for services rendered through the time of such Closing.

7. The Debtors are authorized to indemnify and hold harmless Lazard and its affiliates, their respective directors, officers, members, agents, employees and controlling persons, and each of their respective successors and assigns (collectively the

"Indemnified Persons"), pursuant to the indemnification provisions of the Lazard Agreement and, during the pendency of these bankruptcy proceedings, subject to the following conditions:

- (a) all requests of Indemnified Persons for payment of indemnity, contribution or otherwise pursuant to the indemnification provisions of the Lazard Agreement shall be made by means of an interim or final fee application and shall be subject to the approval of, and review by, the Court to ensure that such payment conforms to the terms of the Lazard Agreement, the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and the orders of this Court and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is sought; provided, however, that in no event shall an Indemnified Person be indemnified or receive contribution to the extent that any claim or expense has resulted from the bad-faith, self-dealing, breach of fiduciary duty, if any, gross negligence or willful misconduct on the part of that or any other Indemnified Person; and
- (b) in no event shall an Indemnified Person be indemnified or receive contribution or other payment under the indemnification provisions of the Lazard Agreement if the Debtors, their estates, or the statutory committee of unsecured creditors assert a claim, to the extent that the Court determines by final order that such claim arose out of bad-faith, self-dealing, breach of fiduciary duty, if any,

gross negligence, or willful misconduct on the part of that or any other Indemnified Person; and

- (c) in the event an Indemnified Person seeks reimbursement for attorneys' fees from the Debtors pursuant to the Lazard Agreement, the invoices and supporting time records from such attorneys shall be annexed to Lazard's own interim and final fee applications, and such invoices and time records shall be subject to the United States Trustee's guidelines for compensation and reimbursement of expenses and the approval of the Bankruptcy court under the standards of section 330 of the Bankruptcy Code without regard to whether such attorney has been retained under section 327 of the Bankruptcy Code.

8. This Court will retain jurisdiction to construe and enforce the terms of the Application, the Lazard Agreement and this Order.

9. To the extent that there may be any inconsistency between the terms of the Application, the Lazard Agreement or this Order, the terms of this Order shall govern.

10. The requirement of the service and filing of a separate memorandum of law under Local Bankruptcy Rule 9013-1(b) be and hereby is deemed satisfied by the Motion.

Dated: January 23, 2003  
New York, New York

/s/ Prudence Carter Beatty  
The Honorable Prudence C. Beatty  
United States Bankruptcy Judge



# EXHIBIT C

## Details of Hours

**Detail of Hours Expended**

**Summary of Services Rendered by Project**

**November 27, 2002 - February 4, 2003**

<b><u>Project #</u></b>	<b><u>Project Description</u></b>	<b><u>Hours</u></b>
1	Interface with Professionals, Official Committees, and Other Parties-In-Interest	47.6
2	Business Operations Planning, Monitoring, Reporting and Analysis	2.7
3	Preparation and/or Review of Court Filings	0.0
4	Court Testimony/Deposition and Preparation	98.3
5	Valuation Analysis	0.0
6	Capital Structure Review and Analysis	0.0
7	Merger & Acquisition Activity	512.8
8	Financing Including DIP and Exit Financing	0.0
9	General Corporate Finance, Research and Analysis, and Other Due Diligence	30.0
10	Fee Application, Engagement	2.3
11	Employee Retention Program	1.7
	<b>TOTAL</b>	<b><u><u>695.4</u></u></b>

**Summary of Services Rendered by Professional**

**November 27, 2002 - February 4, 2003**

<b><u>Name</u></b>	<b><u>Hours</u></b>
Barry Ridings, Managing Director	18.8
Daniel Aronson, Director	146.0
David Decoteaux, Vice President	153.4
Philip Riley, Associate	158.0
Emily Johnson, Financial Analyst	163.2
Peter Brooks, Temp. Financial Analyst	56.0
<b>TOTAL</b>	<b><u><u>695.4</u></u></b>

**Detail of Hours Expended**

**Summary of Services Rendered by Professional**  
**November 27, 2002 - February 4, 2003**

<u>Professional</u>	<u>December</u>	<u>January</u>	<u>Total</u>
Barry Ridings, Managing Director	11.5	7.3	18.80
Daniel Aronson, Director	59.3	86.7	146.00
David Descoteaux, Vice President	78.5	74.9	153.40
Philip Riley, Associate	109.0	49.0	157.95
Emily Johnson, Financial Analyst	108.8	54.4	163.24
Peter Brooks, Temp. Financial Analyst	40.0	16.0	56.00
<b>TOTAL</b>	407.1	288.3	695.39

**Detail of Hours Expended**

**Summary of Services Rendered by Project**  
**November 27, 2002 - February 4, 2003**

<u>Code</u>	<u>Project Description</u>	<u>December</u>	<u>January</u>	<u>Total</u>
1	Interface with Professionals, Official Committees, and Other Parties-In-Interest	35.6	12.0	47.60
2	Business Operations Planning, Monitoring, Reporting and Analysis	2.7	0.0	2.70
3	Preparation and/or Review of Court Filings	0.0	0.0	0.00
4	Court Testimony/Deposition and Preparation	42.5	55.8	98.30
5	Valuation Analysis	0.0	0.0	0.00
6	Capital Structure Review and Analysis	0.0	0.0	0.00
7	Merger & Acquisition Activity	299.5	213.3	512.79
8	Financing Including DIP and Exit Financing	0.0	0.0	0.00
9	General Corporate Finance, Research and Analysis, and Other Due Diligence	25.1	4.9	30.00
10	Fee Application, Engagement	0.0	2.3	2.30
11	Employee Retention Program	1.7	0.0	1.70
<b>TOTAL</b>		407.1	288.3	695.39

**Project Codes for Lazard Work for Genuity Inc.**

<b>Code</b>	<b>Description</b>
1	Interface with Professionals, Official Committees, and Other Parties-In-Interest
2	Business Operations Planning, Monitoring, Reporting and Analysis, and Projections
3	Preparation and/or Review of Court Filings
4	Court Testimony/Deposition and Preparation
5	Valuation Analysis
6	Capital Structure Review and Analysis
7	Merger & Acquisition Activity
8	Financing Including DIP and Exit Financing
9	General Corporate Finance, Research and Analysis, and Other Due Diligence
10	Fee Application, Engagement
11	Employee Retention Program

**Genuity, Inc.**  
 Timesheet  
 Lazard Frères & Co. LLC  
 Barry Ridings-Managing Director

<b>Date:</b>	<b>Description of Work:</b>	<b>Hours:</b>	<b>Code</b>
12/03/2003	Review research reports (ML, Legg) on Level 3 regarding diligence	1.0	7
12/03/2003	Review HSR memo	0.9	2
12/04/2003	Review Level 3 presentation to analysts	0.8	7
12/05/2003	Review list of potential interested parties	0.6	7
12/06/2003	Prepare for call with Company and SAS	1.0	2
12/06/2003	Call with Company and SAS regarding M&A update	0.9	7
12/08/2003	Review/revise marketing call list	0.8	2
12/08/2003	E-mails with KL regarding meeting	0.2	1
12/10/2003	Review interested party letter	0.3	7
12/11/2003	Call with MBL regarding schedule, court, lawyer transaction	0.7	1
12/11/2003	Review update interested party contact list and sale process	1.0	7
12/11/2003	Prepare LF for testimony	0.5	4
12/12/2003	Call with bank regarding UCC and M&A process	0.5	1
12/12/2003	Meeting with management and counsel regarding M&A process	2.0	1
12/16/2003	Review interested party due dilly list	0.3	7
<b>DECEMBER TOTAL</b>		<b>11.5</b>	
01/07/2003	Prepare monthly time sheets	0.3	10
01/09/2003	Review update buyers contacts	1.0	7
01/09/2003	Update e-mails regarding buyer meetings	0.2	7
01/10/2003	Kramer Levin call regarding discovery	0.3	1
01/14/2003	Call with KL regarding LF retention	0.5	10
01/14/2003	Review LF retention papers	1.0	10
01/14/2003	Calls with JPMC regarding LF retention	0.5	10
01/15/2003	Calls regarding bids with LF and Company	2.5	7
01/16/2003	Calls regarding bids with LF	1.0	7
<b>JANUARY TOTAL</b>		<b>7.3</b>	

**Genuity, Inc.**  
Timesheet  
Lazard Frères & Co. LLC  
Daniel Aronson - Director

<u>Date:</u>	<u>Description of Work:</u>	<u>Hours:</u>	<u>Code</u>
12/2/2002	Travel to/from court	1.0	4
	Attendance at court hearing	2.1	4
	Discussions with potential buyers	1.7	7
	Review final contract and bidding procedures	1.1	7
12/3/2002	Participation in call with company re: sales process	0.5	7
	Discussion with potential buyers	1.1	7
	Review sections of contract re: economics	2.2	7
	Review and analyze severance package	0.6	9
12/4/2002	Calls with various buyers	1.2	7
12/5/2002	Calls with various buyers	1.7	7
12/6/2002	Call with L. Schwartz & A. Borguard re: process	0.5	7
	Participation in Status Update Call	1.0	7
12/9/2003	Preparation for potential court testimony	3.5	4
	Attendance at court	3.0	4
	Travel to/from court	1.0	4
12/11/2002	Attendance at meeting with committee advisors	4.3	1
	Calls with management re: severance	1.0	9
	Review severance package	2.1	9
12/12/2002	Preparation for potential testimony	1.7	4
	Review of bidders financial wherewithal	2.5	7
	Review of objections	3.2	4
12/13/2002	Preparation of overbid analysis	1.7	7
12/15/2002	Review of comparable bidding analysis	3.6	7
	Participation in phone call with counsel re: objections	2.0	4
	Call with Marc Cohen from Deutsche Bank re: bid procedures	0.1	1
12/16/2002	Travel to/from court	1.0	4
	Attendance in court hearing	2.0	4
	Preparation of expert testimony re: severance and bid procedures	1.7	4
	Preparation for Executive Committee call to qualify bidders	0.8	7
12/17/2002	Call with Executive Committee re: qualified bidders	0.5	7
12/18/2002	Travel time	1.0	4
	Attendance at court hearing on severance	2.0	4
	Discussion with various buyers	1.3	7
	Review bidder qualifications	0.5	7
12/19/2002	Call with D & T re: issues for creditors	2.5	1
12/23/2002	Call with buyers	1.6	7
	<b>DECEMBER TOTAL</b>	<b>59.3</b>	

**Genuity, Inc.**  
Timesheet  
Lazard Frères & Co. LLC  
Daniel Aronson - Director

<u>Date:</u>	<u>Description of Work:</u>	<u>Hours:</u>	<u>Code</u>
1/2/2003	Pull information regarding subpoena	7.5	4
	Discussions with various interested parties sales status	1.2	7
1/6/2003	Preparation for Deposition	3.2	4
	Discussion with various bidders	1.6	7
1/7/2003	Meeting with Cravath re: Deposition	4.2	4
	Call with creditor advisors	1.0	1
1/9/2003	Preparation for Deposition	3.8	4
1/10/2003	Attendance at Deposition	6.0	4
	Calls with Attorneys for creditors & banks re: fees	1.6	1
	Calls with potential bidders	1.8	7
1/13/2003	Calls with potential bidders	2.4	7
	Calls with Attorneys for creditors & banks re: fees	1.0	1
1/14/2003	Calls with Attorneys for creditors & banks re: fees	1.0	1
	Call with management re: potential bidders	1.2	7
1/15/2003	Travel to Boston	1.6	7
	Review bids & prepare comparison for bid deadline	16.0	7
1/16/2003	Calls with bidders	2.6	7
	Participation in Board Meeting	4.9	9
	Travel from Boston	1.6	7
	Prepare questions and answers for Tuesday court hearing	1.2	4
1/17/2003	Preparation for Court testimony	3.8	4
1/20/2003	Preparation for potential expert testimony	2.6	4
1/21/2003	Calls with Attorneys for creditors & banks re: fees	0.6	1
	Review of objections to sale APA agreement	1.8	7
1/22/2003	Preparation for potential expert testimony	1.8	4
1/23/2003	Attendance at Court hearing re: APA	5.0	4
	Travel to/from Court	1.5	4
1/24/2003	Attendance at Court hearing re: APA	3.0	7
	Travel to/from Court	1.2	4
<b>JANUARY TOTAL</b>		<b>86.7</b>	

**Genuity, Inc.**  
Timesheet  
Lazard Frères & Co. LLC  
David Descoteaux - Vice President

<b>Date:</b>	<b>Description of Work:</b>	<b>Hours:</b>	<b>Code</b>
12/02/2002	Calls with Genuity/Skadden re: contacting potential buyers and process	1.5	7
	Calls with potential buyers re: interest, process	7.0	7
	Update of contact log	1.8	7
	Draft/send update to Level 3	0.7	7
12/03/2002	Calls with potential buyers re: interest, process	4.5	7
	Calls with Genuity re: bidding process, timeline	1.5	7
	Calls with Skadden re: NDAs and status update	0.6	7
	Update of contact log	1.5	7
12/04/2002	Calls with potential buyers re: interest, process	5.0	7
	Update of contact log	1.2	7
	Calls with Skadden re: NDAs and status update	0.5	7
12/05/2002	Calls with potential buyers re: interest, process	4.5	7
	Update of contact log	1.5	7
	Calls with Skadden re: NDAs and status update	1.2	7
12/06/2002	Calls with potential buyers re: interest, process	1.5	7
	Update of contact log	0.4	7
	Call with Genuity/Skadden re: status of sales activity and discussion on bid process	1.0	7
	Calls with FTI re: sales process	1.1	7
12/07/2002	Call with Genuity/Skadden re: bid process and parties that have expressed interest	1.5	7
	Calls with potential buyers re: interest, process	1.5	7
	Update of contact log	0.4	7
12/09/2002	Travel to/from court	1.5	4
	GENU Omnibus hearing	2.0	4
	Call with WilTel/Leucadia re: deal economics	1.0	7
12/10/2002	Call with Genu/Skadden and WilTel/Leucadia re: deal economics	1.0	7
	Calls with potential buyers re: interest, process	5.0	7
	Update of contact log	0.8	7
	Draft/send update to Level 3	0.8	7
12/11/2002	Calls with potential buyers re: interest, process	2.0	7
	Update of contact log	0.5	7
12/12/2002	Meeting with Genuity/Skadden/Ropes in preparation for Creditors Committee advisors	2.0	1
	Meeting with Genuity/Skadden/Ropes and Creditors Committee advisors	3.0	1



**Genuity, Inc.**  
Timesheet  
Lazard Frères & Co. LLC  
David Descoteaux - Vice President

<b>Date:</b>	<b>Description of Work:</b>	<b>Hours:</b>	<b>Code</b>
12/13/2002	Calls with Genuity /Skadden re: due diligence procedures	2.0	7
	Calls with potential buyers re: interest, process	2.5	7
	Update of contact log	0.5	7
12/16/2002	Travel to/from court	1.5	4
	GENU Bid Procedures hearing	2.3	4
12/17/2002	Calls with Genuity re: potential bidder	0.5	7
	Calls with potential buyers re: interest, process	0.5	7
12/18/2002	Calls with Genuity re: potential bidder	1.0	7
	Calls with potential buyers re: interest, process	0.8	7
	Call with Kramer Levin re: bid procedure	0.4	7
	Draft/send update to Level 3	1.0	7
12/19/2002	Call with D&T re: overview/C73status of sales process; review of Level 3 deal terms	1.4	1
	Call with potential bidder and Genuity	0.6	7
	Draft/send update to Level 3	0.3	7
	Draft/send update to Level 3	0.4	7
12/20/2002	Calls with potential buyers re: interest, process	0.4	7
	Update of contact log	0.2	7
12/23/2002	Call with Genuity re: KERP	0.4	11
	Call with FTI/Banks re: KERP	1.3	11
	Draft/send update to Level 3	0.5	7
<b>DECEMBER TOTAL</b>		<b>78.5</b>	
01/02/2003	Calls with Genuity re: status of potential buyers interest	1.0	7
01/03/2002	Calls with potential buyers re: interest, process, due diligence timing, scheduling	2.5	7
01/06/2003	Calls with potential buyer to discuss terms of level 3 transaction	1.2	7
	Calls with Genuity re: potential buyers on site due diligence	1.5	7
	Calls with Skadden re: potential buyer questions	1.0	7
	Internal Lazard meeting re: sales process, due diligence	2.0	7
	Update of contact log	0.7	7
01/07/2003	Calls with potential buyers re: interest, process	2.5	7
	Call with potential buyer re: feedback from due diligence visit	0.6	7
	Update of contact log	0.5	7
	Calls with D&T re: sales process	0.5	1
01/08/2003	Calls with potential buyers re: interest, process, due diligence scheduling	3.8	7
	Calls with Genuity/Ropes re: Genuity contract disclosure	2.5	7
	Internal Lazard meeting re: sales process, due diligence	1.5	7
	Call with Genuity re: update on potential buyer due diligence activity	1.0	7
01/09/2003	Call with Genuity re: bidder on site due diligence	1.4	7
	Calls with Skadden re: potential buyer questions / due diligence	1.0	7
	Calls with Genuity/Ropes re: Genuity contract disclosure	1.5	7
	Update of contact log	0.3	7
01/10/2003	Call with Genuity/Ropes/Skadden re: bid procedures and responsibilities	2.0	7
	Call with potential buyer re: feedback from due diligence visit	0.5	7
	Internal Lazard meeting re: sales process, due diligence	2.5	7
	Update of contact log	0.2	7
01/13/2003	Calls with potential buyers re: bid expectations, procedure clarifications	3.0	7
	Call with Genuity re: potential bidder feedback	3.5	7

**Genuity, Inc.**  
Timesheet  
Lazard Frères & Co. LLC  
David Descoteaux - Vice President

<u>Date:</u>	<u>Description of Work:</u>	<u>Hours:</u>	<u>Code</u>
	Update of contact log	0.3	7
01/14/2003	Internal Lazard meeting re: sales process, due diligence, bid procedures	0.5	7
	Call with Genuity/Ropes/Skadden re: potential buyer status, bid procedures, schedule	1.0	7
01/15/2003	Travel to Skadden Boston office	2.5	7
	Genuity/advisors evaluation of bid received, calls with bidder and advisors	12.0	7
	Preparation of Board materials	2.5	7
01/16/2003	Genuity Board meeting	5.0	7
	Genuity/advisors discussions with bidder and advisors re: alternative proposals	3.5	7
	Travel to New York	2.7	7
01/17/2003	Calls with Genuity/Ropes/Skadden re: sale hearing preparation	1.5	7
01/20/2003	Internal Lazard meeting re: sale hearing issues	3.2	7
01/21/2003	Internal Lazard call re: sale hearing issues	1.5	7
<b>JANUARY TOTAL</b>		<b>74.9</b>	

**Genuity, Inc.**  
Timesheet  
Lazard Frères & Co. LLC  
Philip Riley - Associate

<b>Date:</b>	<b>Description of Work:</b>	<b>Hours:</b>	<b>Code</b>
12/02/2002	Miscellaneous administrative work related to 363 process/logistics (researching company contact information, preparation and distribution of NDAs, gathering and distribution of public and non-public information to buyers, etc.)	7.5	7
	Calls with Genuity/Skadden re: contacting potential buyers and process	1.5	7
	Work with Skadden on contract specifics	1.0	7
	Update of contact log	2.2	7
	Preparation of Genuity executive summary	2.4	9
	Reading emails from team and client	0.7	1
12/03/2002	Miscellaneous administrative work related to 363 process/logistics	5.5	7
	Preparation of Genuity executive summary and other materials for buyers	3.5	9
	Calls/emails with potential buyers re: interest, process	2.5	7
	Update of contact log	1.5	7
	Review of process timeline	0.8	7
	Reading emails from team and client	0.5	1
12/04/2002	Miscellaneous administrative work related to 363 process/logistics	5.0	7
	Calls/emails with potential buyers re: interest, process	1.0	7
	Update of contact log	1.5	7
	Analysis of Schedules related to Verizon contract	2.5	7
	Reading emails from team and client	0.5	1
12/05/2002	Miscellaneous administrative work related to 363 process/logistics	6.5	7
12/06/2007	Miscellaneous administrative work related to 363 process/logistics	2.5	7
	Call with Genuity/Skadden re: status of sales activity and discussion on bid process	1.0	7
12/07/2002	Call with Genuity/Skadden re: bid process and parties that have expressed interest	1.5	1
	Update of contact log	1.2	7
12/09/2002	Miscellaneous administrative work related to 363 process/logistics	2.5	7
	Preparation of memo on WiTel and Leucadia	2.3	7
	Various conference calls with team and client	3.5	1
12/10/2002	Miscellaneous administrative work related to 363 process/logistics	0.5	7
	Update of contact log and summary of marketing process	1.9	7
12/11/2002	Miscellaneous administrative work related to 363 process/logistics	0.5	7
	Preparation of materials for creditors committee meeting	2.5	7
	Preparation of memo on financial bidder	1.5	7
12/12/2002	Miscellaneous administrative work related to 363 process/logistics	0.5	7
	Analysis of precedent breakup fees	2.5	9
	Update of contact log	1.2	7
12/13/2002	Miscellaneous administrative work related to 363 process/logistics	0.5	7
	Preparation of materials for data room	1.9	7
12/16/2002	Travel to Boston to meet with WiTel/Leucadia and chaperone data room	8.0	7
12/17/2002	In Boston to meet with WiTel/Leucadia and chaperone data room	8.0	7
12/18/2002	Miscellaneous administrative work related to 363 process/logistics	1.5	7
	Correspondence with buyer on due diligence requests/questions	3.5	7

**Genuity, Inc.**  
Timesheet  
Lazard Frères & Co. LLC  
Philip Riley - Associate

<b>Date:</b>	<b>Description of Work:</b>	<b>Hours:</b>	<b>Code</b>
12/19/2002	Miscellaneous administrative work related to 363 process/logistics	2.0	7
	Call with D&T re: overview/C73status of sales process; review of Level 3 deal terms	1.4	1
	Call with potential bidder and Genuity	0.6	7
	Calls with WilTel	2.0	7
	Review of process timeline	1.5	7
12/20/2002	Preparation of memos on potential bidders	2.5	7
	Update of contact log	0.5	7
12/23/2002	Miscellaneous administrative work related to 363 process/logistics	1.5	7
	Draft/send update to Level 3	0.5	7
	Reading emails from team and client	0.9	1
<b>DECEMBER TOTAL</b>		<b>109.0</b>	
01/03/2003	Update of contact log and summary of marketing process	1.0	7
	Reading emails from client/group from the past week	0.8	1
01/06/2002	Manning data room at Genuity	8.0	7
01/07/2002	Manning data room at Genuity	8.0	7
01/08/2003	Responding to due diligence requests	2.5	7
	Miscellaneous administrative work related to 363 process/logistics	1.0	7
	Call with potential bidder to discuss requests/questions	1.2	7
01/09/2003	Internal Lazard meeting to discuss next steps in bid process	0.8	7
	Call with potential bidder to discuss requests/questions	0.5	7
01/10/2003	Update Lazard model for actual Level 3 transaction	1.0	7
	Miscellaneous administrative work related to 363 process/logistics	1.0	7
01/13/2003	Update Lazard model for actual Level 3 transaction	3.2	7
01/14/2003	Call with client over bid process	1.5	1
	Update Lazard model for actual Level 3 transaction	2.5	7
01/15/2003	Work at R&G in Boston: various work related to bid day	14.0	7
01/16/2003	Miscellaneous administrative work related to 363 process/logistics	1.0	7
01/17/2003	Creditor committee call	1.0	7
<b>JANUARY TOTAL</b>		<b>49.0</b>	

**Genuity, Inc.**  
Timesheet  
Lazard Frères & Co. LLC  
Emily Johnson -- Financial Analyst

<b>Date:</b>	<b>Description of Work:</b>	<b>Hours:</b>	<b>Code</b>
12/02/2002	Miscellaneous administrative work related to 363 process/logistics (researching company contact information, preparation and distribution of NDAs, gathering and distribution of public and non-public information to buyers, etc.)	7.5	7
	calls with Genuity/Skadden re: contacting potential buyers and process	1.5	7
	Preparation of Genuity Executive Summary	3.0	9
	Update of Contact Log	2.5	7
	Reading of emails from team and client	0.7	1
12/03/2002	Miscellaneous administrative work related to 363 process/logistics	4.8	7
	Preparation of Genuity Executive Summary & materials for buyers	5.0	9
	Update of Contact Log	1.5	7
	Review of process, timeline	1.0	7
	Reading of emails from team and client	0.8	1
12/04/2002	Gathering filed materials on 363 processes	5.0	4
	Miscellaneous administrative work related to 363 process/logistics	3.0	7
	Reading of emails from team and client	1.0	1
12/05/2002	Miscellaneous administrative work related to 363 process/logistics	2.5	7
12/06/2007	Miscellaneous administrative work related to 363 process/logistics	1.0	7
	Call with Genuity/Skadden re: status of sales activity and discussion of bid process	1.0	7
12/07/2002	Call with Genuity/Skadden re: bid process and parties that have expressed interest	1.5	1
	Update of Contact Log	0.5	7
12/09/2002	court hearing, incl. Transit	4.5	4
	Call with potential bidder	0.5	7
	miscellaneous administrative work to prepare for 363 process	2.0	7
	Preparation of memo on WilTel and Leucadia	3.0	7
	Various conference calls with Team and Client	3.5	1
12/10/2002	miscellaneous administrative work to prepare for 363 process	0.5	7
	Update of Contact log and marketing summary	1.0	7
12/11/2002	miscellaneous administrative work to prepare for 363 process	0.5	7
	prep of materials for creditors committee meeting	2.3	7
	Preperation of memo on financial bidder	3.0	7
	admin work for deal in general	1.0	1
12/12/2002	miscellaneous administrative work to prepare for 363 process	0.5	7
	Analysis of precedent break up fees	2.0	9
	Update of Contact Log	1.2	7
12/13/2002	miscellaneous administrative work to prepare for 363 process	0.5	7
	preparation of materials for data room	1.5	7
12/14/2002	miscellaneous administrative work to prepare for 363 process	0.5	7
12/15/2002	contact log update	1.0	7
12/16/2002	Working Group List update	2.0	9
	miscellaneous administrative work to prepare for 363 process	4.0	7
12/17/2002	contact log update	4.0	7
12/18/2002	miscellaneous administrative work to prepare for 363 process	1.5	7
12/19/2002	miscellaneous administrative work to prepare for 363 process	1.0	7
	preparation of case studies and contact log	6.0	7
	Call with D&T re: overview/C37 status of sales process; review of Level 3 deal terms	1.4	1
	call with potential bidder and Genuity	0.6	7
	Call with WilTel	2.0	7
	info gathering for D&T	2.0	7
	Review of process, timeline	1.5	7
12/20/2002	hours log	1.0	9
	preparation of memos on potential bidders	4.5	7

**Genuity, Inc.**  
Timesheet  
Lazard Frères & Co. LLC  
Emily Johnson -- Financial Analyst

<b>Date:</b>	<b>Description of Work:</b>	<b>Hours:</b>	<b>Code</b>
12/23/2002	miscellaneous administrative work to prepare for 363 process	0.5	7
	send materials to Level 3	0.5	7
12/30/2002	preparation of memo on potential bidder	3.5	7
<b>DECEMBER TOTAL</b>		<b>108.8</b>	
01/02/2003	Preparation of memo on potential bidder	2.0	7
	admin for due diligence trip	1.0	7
	Read emails from client/group	0.3	1
01/03/2003	Gathering information for subpoena	2.5	4
	miscellaneous administrative work to prepare for 363 process	1.0	7
01/06/2003	admin for potential bidder due diligence trip	1.0	7
	Read emails from client/group	0.5	1
01/07/2003	miscellaneous administrative work to prepare for 363 process	1.5	7
01/08/2003	miscellaneous administrative work to prepare for 363 process	0.5	7
	Read emails from client/group	0.8	1
01/09/2003	internal Lazard meeting to discuss next steps in bid process	0.8	7
	admin work for 363 process	1.5	7
01/10/2003	update bid model for most recent libra proposal	2.5	7
	admin work for 363 process	0.8	7
01/11/2003	update bid model for most recent libra proposal	1.3	7
	admin work for 363 process	0.4	7
01/12/2003	admin work for 363 process	2.0	7
01/13/2003	admin work for 363 process	1.5	7
01/14/2003	call with client over bid process	1.5	1
	admin work for 363 process	3.0	7
01/15/2003	work at R&G: preparation of board materials and analysis of bid	14.0	7
	reading new Qwest bid	0.5	7
01/16/2003	admin work for 363 process	0.5	7
01/17/2003	creditor committee call	1.0	7
	preparation of fee application	5.0	4
01/21/2003	Calls with Attorneys for creditors & banks re: fees	0.6	1
01/23/2003	Attendance at Court hearing re: APA	5	4
	Travel to/from Court	1.5	4
<b>JANUARY TOTAL</b>		<b>54.4</b>	

**Genuity, Inc.**  
 Timesheet  
 Lazard Frères & Co. LLC  
 Peter Brooks, Winter Analyst

<u>Date:</u>	<u>Description of Work:</u>	<u>Hours:</u>	<u>Code</u>
12/04/2002	Sending NDA's and public information to clients	5.0	7
12/05/2002	Updating contact log	2.0	7
12/06/2002	Conference call with Genuity	1.0	7
12/06/2002	Updating contact log	2.0	7
12/09/2002	Updating contact log	2.0	7
12/10/2002	Updating contact log	2.0	7
12/11/2002	Updating contact log	1.0	7
12/12/2002	Updating contact log	1.0	7
12/15/2002	Manning data room at Genuity	8.0	7
12/16/2002	Manning data room at Genuity	8.0	7
12/22/2002	Manning data room at Genuity	8.0	7
<b>DECEMBER TOTAL</b>		<b>40.0</b>	
01/06/2002	Manning data room at Genuity	8.0	7
01/07/2002	Manning data room at Genuity	8.0	7
<b>JANUARY TOTAL</b>		<b>16.0</b>	

# EXHIBIT D

## Details of Expenses



**Genuity**  
**Final Fee Application**  
**Lazard Frères & Co. LLC**

**November 27, 2002 - February 4, 2003**

**Fee Calculation**

<b><u>Item</u></b>	<b><u>Amount Incurred</u></b>
Restructuring Fee	\$6,500,000.00
Less: Credit for Monthly Fee Payable November 25, 2002	(250,000.00)
<b>Total Fees Requested</b>	<b><u><u>\$6,250,000.00</u></u></b>

**Summary of Out-of-Pocket Expenses <sup>1</sup>**

<b><u>Item</u></b>	<b><u>Amount Incurred</u></b>
Car Services and Taxis	\$3,048.08
Couriers/Shipping	118.64
Electronic Information Service	1,390.67
Employee Meals	325.38
Meals-Subsistence	948.66
Photocopying Costs	837.55
Telephone/Telex/Fax-Usage	640.10
Temporary Help - Word Processing	66.21
Travel	6,407.47
Miscellaneous	150.46
<b>Total Expenses Incurred</b>	<b><u><u>\$13,933.22</u></u></b>

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<sup>(1)</sup> *Additional expense detail will be furnished upon request*

## **EXPENSE DETAIL SUMMARY BY CATEGORY**

Attached is an itemized detail of out-of-pocket expenses incurred for the relevant period of this statement divided into specific categories. Lazard's charges for expenses in this case are determined in the same manner as for clients in non-bankruptcy matters. Out-of-pocket expenses incurred by Lazard are charged to a client if the expenses are incurred in connection with services rendered for such particular client. Lazard has followed its general internal policies with respect to out-of-pocket expenses billed in this case as set forth below, with any exceptions specifically explained.

### **Car Services and Taxis**

With respect to local travel, Lazard's general policy enables employees to travel by taxi or private car service to and from meetings while rendering services to a client on a client related matter, for which the client is charged. This policy is based on Lazard's determination that travel by taxi or private car service is the most efficient use of a professional's time. Lazard employees are not permitted to charge commutation expenses to a client unless the employee is traveling after 8:00 p.m. or on a weekend.

### **Couriers/Shipping**

Messengers and couriers (including Federal Express and UPS) are used by Lazard to deliver hard copy documents relating to the client matter that require receipt on an expedited basis; otherwise, Lazard uses the regular postal system. Any charges for either messengers or couriers are billed to a client at cost.

### **Electronic Information Service**

Lazard utilizes various news and historical data services for research related to the client matter. All charges for such services are billed to the client at cost.

### **Employee Meals and Meals-Subsistence**

Lazard's general policy permits employees to bill dinner meals to a client if the employee is required to render services during such mealtime to the client due to extreme time constraints. Lazard employees are permitted to order dinner ("Employee Meals") in the office (for no bill more than \$20.00 per person) if the Lazard employee is required to work after 8:00 p.m. or on weekends. Lazard employees are also permitted to bill clients for meals while traveling on behalf of clients and their related matters ("Meals-Subsistence").

### **Photocopying Costs and Printing Consumables**

Lazard's ability to produce color charts, large volumes of reports and certain types of presentation slides is limited by space and mechanical constraints. Photocopying performed internally by Lazard is charged at a rate of \$0.10 per page for black and white copies and \$.45 per page for color copies ("Photocopying Costs"). Other rates apply when production services are utilized to create other documents i.e. the cost associated with the binding various presentation books including tabs, covers, etc. Outside production companies are used for projects that cannot be handled by Lazard's in-house production capabilities. Any charges for outside production are billed to a client at cost ("Printing Consumables").

**Telephone/Telex/Fax Usage**

Lazard employees are permitted to use cellular telephones while they are traveling on an as required basis when public telephones are unavailable. Other charges itemized consist of phone cards and air or rail phone charges. Further, if an employee incurs charges for external Fax or Telex usage while traveling on a required basis, these charges will be billed to the client at cost. It should be noted that Lazard does not bill clients for telephone charges while at the office nor does Lazard charge for in-house outgoing facsimile transmissions. Lazard absorbs these charges in overhead.

**Travel**

Lazard's employees are requested to make lodging reservations through the firm's travel department that has preferred hotel rates in most major U.S. cities. Additionally, Lazard has discounted rates with several major airlines and auto rental companies that are preferred carriers when making travel reservations. Further, Lazard does not bill its clients in bankruptcy first class airfares; all amounts billed are for the coach fares only.

**Temporary Wages/Word Processing**

Lazard utilizes temporary employment services on an as needed basis to staff the Word Processing and Graphics department over the weekends and/or after normal business hours or when full-time staff is unavailable or cannot efficiently complete the projects in demand (presentations, memorandums, etc.) due to various time constraints.

**Genuity  
Final Fee Application  
Lazard Frères & Co. LLC**

November 27, 2002 - February 4, 2003

**Summary of Out-of-Pocket Expenses<sup>1</sup>**

<b>Item</b>	<b>Dec 02</b>	<b>Jan 03</b>	<b>Feb 03</b>	<b>Total</b>
Car Services and Taxis	\$216.04	\$1,881.10	\$950.94	<b>\$3,048.08</b>
Couriers/Shipping	0.00	48.81	69.83	<b>118.64</b>
Electronic Information Service	0.00	18.67	1,372.00	<b>1,390.67</b>
Employee Meals	0.00	157.86	167.52	<b>325.38</b>
Meals-Subsistence	409.72	107.81	431.13	<b>948.66</b>
Photocopying Costs	0.00	837.55	0.00	<b>837.55</b>
Telephone/Telex/Fax-Usage	12.81	90.32	536.97	<b>640.10</b>
Temporary Help - Word Processing	0.00	0.00	66.21	<b>66.21</b>
Travel	0.00	15.00	6,392.47	<b>6,407.47</b>
Miscellaneous	0.00	0.00	150.46	<b>150.46</b>
<b>Total Expenses Incurred</b>	<b><u>\$638.57</u></b>	<b><u>\$3,157.12</u></b>	<b><u>\$10,137.53</u></b>	<b><u>\$13,933.22</u></b>

<sup>(1)</sup> *Additional expense detail will be furnished upon request*



## DEAL OPEN ITEMS BY CATEGORY

ALL EXPENSES (Recoverable and Non-Recoverable)

**NYC00031 - Genuity, Inc.**

Currency: USD - US Dollar

EXPENSE TYPE	TRANS DATE	DESCRIPTION	BALANCE
<b>OPENING BALANCE</b>	<b>12/01/02</b>		<b>0.00</b>
<b>Car Services and Taxis</b>			
	12/18/02	Tooley-D 11/27/2002 04:01 EDISON NJ / DIAL CAR INC	95.98
	12/20/02	Johnson-R 12/06/2002 02:42 31TH ST 3RD / ROYAL DISPATCH SERVICES, INC.	54.06
	12/20/02	Johnson-O 12/02/2002 00:00 M / NEW YORK TRANSPORTATION CORP.	24.00
	12/20/02	Johnson-O 12/04/2002 00:00 M / NEW YORK TRANSPORTATION CORP.	21.00
	12/20/02	Johnson-O 12/03/2002 00:00 M / NEW YORK TRANSPORTATION CORP.	21.00
		Subtotal:	<u>216.04</u>
<b>Meals-Subsistence</b>			
	12/26/02	Aronson-12/12 MANGIA-NY / AMERICAN EXPRESS CO.	250.67
	12/26/02	Aronson-12/12 MANGIA-NY / AMERICAN EXPRESS CO.	159.05
		Subtotal:	<u>409.72</u>
<b>Telephone/Telex/Fax-Usage/Re</b>			
	12/23/02	Ridings-12/09 ATT CARD CALLS / AMERICAN EXPRESS CO.	5.18
	12/26/02	Aronson-12/9 AT&T CARD CALLS / AMERICAN EXPRESS CO.	7.63
		Subtotal:	<u>12.81</u>
<b>CLOSING BALANCE as of 12/31/02</b>			<b><u><u>638.57</u></u></b>



## DEAL OPEN ITEMS BY CATEGORY

ALL EXPENSES (Recoverable and Non-Recoverable)

**NYC00031 - Genuity, Inc.**

Currency: USD - US Dollar

EXPENSE TYPE	TRANS DATE	DESCRIPTION	BALANCE
<b>OPENING BALANCE</b>	<b>01/01/03</b>		<b>0.00</b>
<b>Car Services and Taxis</b>			
	01/07/03	Brooks-12/17 CAR-NWK AIRPORT / PETER G. BROOKS	190.00
	01/07/03	Brooks-12/15 CAR-LGA AIRPORT / PETER G. BROOKS	131.90
	01/07/03	Brooks-12/23 CAR-NWK-HOME / PETER G. BROOKS	105.74
	01/07/03	Brooks-12/22 CAR-NWK / PETER G. BROOKS	101.74
	01/07/03	Brooks-12/23 CAB-HTL-AIRPORT / PETER G. BROOKS	80.00
	01/07/03	Brooks-12/22 CAB / PETER G. BROOKS	60.00
	01/07/03	Brooks-12/11 CAB-TRAIN / PETER G. BROOKS	14.00
	01/07/03	Brooks-12/10 TAXI-HOM / PETER G. BROOKS	13.00
	01/07/03	Johnson-12/06 NYC / EMILY JOHNSON	9.00
	01/07/03	Johnson-11/22 NYC / EMILY JOHNSON	8.00
	01/07/03	Johnson-12/14 NYC / EMILY JOHNSON	7.00
	01/07/03	Johnson-12/18 NYC / EMILY JOHNSON	7.00
	01/07/03	Johnson-12/29 NYC / EMILY JOHNSON	7.00
	01/08/03	Riley-R 12/15/2002 17:50 LAG / ROYAL DISPATCH SERVICES, INC.	48.96
	01/08/03	Johnson-O 12/12/2002 00:00 LGA / NEW YORK TRANSPORTATION CORP.	43.00
	01/08/03	Riley-R 12/14/2002 19:16 120 SULLIVA / ROYAL DISPATCH SERVICES, INC.	37.74
	01/08/03	Holmes-D 11/27/2002 01:30 32ST BET 2 / DIAL CAR INC	22.44
	01/08/03	Grenek-D 12/04/2002 00:31 32ST BET 2 / DIAL CAR INC	20.40
	01/14/03	Holmes-R 12/16/2002 00:26 11238 / ROYAL DISPATCH SERVICES, INC.	34.68
	01/14/03	Murphy-R 12/18/2002 01:00 W 190TH ST / ROYAL DISPATCH SERVICES, INC.	26.52
	01/14/03	Figueredo-R 12/18/2002 02:02 W 101 / ROYAL DISPATCH SERVICES, INC.	21.42
	01/14/03	Riley-D 12/10/2002 00:47 A/D / DIAL CAR INC	21.42
	01/14/03	Figueredo-R 12/18/2002 01:05 72 BEDFORD / ROYAL DISPATCH SERVICES, INC.	18.36
	01/14/03	Sinatra-R 12/18/2002 01:29 HOUSTON ST / ROYAL DISPATCH SERVICES, INC.	18.36
	01/17/03	Murphy-D 12/18/2002 01:33 BK - 11215 / DIAL CAR INC	36.21
	01/17/03	Holmes-D 12/24/2002 01:40 32/2/3 / DIAL CAR INC	26.52
	01/17/03	Figueredo-D 12/18/2002 01:10 109TH MH/CO / DIAL CAR INC	24.48
	01/27/03	Riley-R 01/09/2003 19:37 120 SULLIVA / ROYAL DISPATCH SERVICES, INC.	48.45



## DEAL OPEN ITEMS BY CATEGORY

ALL EXPENSES (Recoverable and Non-Recoverable)

**NYC00031 - Genuity, Inc.**

Currency: USD - US Dollar

EXPENSE TYPE	TRANS DATE	DESCRIPTION	BALANCE	
<b>Car Services and Taxis</b>	01/27/03	Riley-R 01/09/2003 07:46 LAG / ROYAL DISPATCH SERVICES, INC.	37.74	
	01/27/03	Riley-R 01/05/2003 17:02 LAG / ROYAL DISPATCH SERVICES, INC.	34.68	
	01/27/03	Holmes-D 12/31/2002 00:59 BKLYN 11231 / DIAL CAR INC	30.60	
	01/27/03	Holmes-D 12/27/2002 01:28 32 BET 2/3A / DIAL CAR INC	22.44	
	01/27/03	Figueredo-D 01/02/2003 00:57 41ST/8TH AV / DIAL CAR INC	20.40	
	01/27/03	Descoteaux-1/10 TAXI / DAVID M. DESCOTEAUX	9.00	
	01/27/03	Descoteaux-1/3 TAXI / DAVID M. DESCOTEAUX	6.00	
	01/27/03	Descoteaux-1/10 TAXI / DAVID M. DESCOTEAUX	6.00	
	01/27/03	Descoteaux-1/12 TAXI / DAVID M. DESCOTEAUX	5.00	
	01/27/03	Descoteaux-1/12 TAXI / DAVID M. DESCOTEAUX	4.00	
	01/29/03	Brooks-01/07 CAB-NWK / PETER G. BROOKS	119.34	
	01/29/03	Brooks-01/05 CAB-TO NWK AIRPORT / PETER G. BROOKS	103.40	
	01/29/03	Brooks-01/05 CAB-LOGAN AIRPORT / PETER G. BROOKS	80.00	
	01/29/03	Brooks-01/07 CAB-RESIDENCE INN / PETER G. BROOKS	70.00	
	01/29/03	Holmes-D 01/08/2003 02:01 BK 11201 / DIAL CAR INC	29.58	
	01/29/03	Holmes-D 01/07/2003 01:59 BK 11201 / DIAL CAR INC	29.58	
	01/29/03	Riley-O 01/13/2003 00:00 M / NEW YORK TRANSPORTATION CORP.	24.00	
	01/29/03	Riley-O 01/14/2003 00:00 M / NEW YORK TRANSPORTATION CORP.	24.00	
	01/29/03	Aronson-O 01/13/2003 00:00 M / NEW YORK TRANSPORTATION CORP.	21.00	
	01/29/03	Johnson-O 01/14/2003 00:00 M / NEW YORK TRANSPORTATION CORP.	21.00	
			Subtotal:	1,881.10
	<b>Couriers / Shipping</b>	01/05/03	SDS BILLING/INV # 137220 / SECURITY DELIVERY SERVICE, INC	18.00
		01/14/03	UPS BILLING / UNITED PARCEL SERVICE INC.	18.96
		01/14/03	UPS BILLING / UNITED PARCEL SERVICE INC.	6.32
01/14/03		UPS BILLING / UNITED PARCEL SERVICE INC.	5.53	
		Subtotal:	48.81	
<b>Electronic Information Service</b>	01/27/03	INVESTEXT DEC/02 / THOMSON FINANCIAL INVESTMENT	18.67	
			Subtotal:	18.67



## DEAL OPEN ITEMS BY CATEGORY

ALL EXPENSES (Recoverable and Non-Recoverable)

**NYC00031 - Genuity, Inc.**

Currency: USD - US Dollar

EXPENSE TYPE	TRANS DATE	DESCRIPTION	BALANCE
<b>Employee Meals</b>			
	01/15/03	Riley-M 02-DEC-2002 Blake & Todd / SEAMLESSWEB PROFESSIONAL	20.53
	01/15/03	Johnson-M 26-DEC-2002 Savannah Steak / SEAMLESSWEB PROFESSIONAL	20.40
	01/15/03	Johnson-M 19-DEC-2002 Bocca / SEAMLESSWEB PROFESSIONAL	20.36
	01/15/03	Johnson-M 03-DEC-2002 Blake & Todd / SEAMLESSWEB PROFESSIONAL	20.08
	01/15/03	Johnson-M 01-DEC-2002 California Pizza / SEAMLESSWEB PROFESSIONAL	19.46
	01/15/03	Johnson-M 05-DEC-2002 Fresh Basil's / SEAMLESSWEB PROFESSIONAL	19.40
	01/15/03	Riley-M 12-DEC-2002 Island Burgers a / SEAMLESSWEB PROFESSIONAL	18.87
	01/15/03	Figueredo-M 18-DEC-2002 Sherwoods Fine F / SEAMLESSWEB PROFESSIONAL	18.76
		Subtotal:	157.86
<b>Meals-Subsistence</b>			
	01/07/03	Brooks-12/15 SBARRO / PETER G. BROOKS	8.41
	01/07/03	Brooks-12/17 BOSTON CAFE / PETER G. BROOKS	4.41
	01/27/03	Descoteaux-1/9 BUS LUNCH / DAVID M. DESCOTEAUX	6.77
	01/29/03	Brooks-01/06 ON THE BORDER / PETER G. BROOKS	49.09
	01/29/03	Brooks-01/07 LEGAL SEA FOODS / PETER G. BROOKS	24.78
	01/29/03	Brooks-01/06 SODEXHO / PETER G. BROOKS	10.16
	01/29/03	Brooks-01/07 TARGET / PETER G. BROOKS	4.19
		Subtotal:	107.81
<b>Photocopying Costs</b>			
	01/10/03	CPY CHRGS/DEC / NON VENDOR (AP JOURNALS)	837.55
		Subtotal:	837.55
<b>Telephone/Telex/Fax-Usage/Re</b>			
	01/08/03	Riley-12/5 AT&T WIRELESS / AMERICAN EXPRESS CO.	16.09
	01/27/03	Descoteaux-12/29 AT&T WIRELESS / AMERICAN EXPRESS CO.	64.14
	01/27/03	Ridings-AT&T CARD CALLS / AMERICAN EXPRESS CO.	10.09
		Subtotal:	90.32







## DEAL OPEN ITEMS BY CATEGORY

ALL EXPENSES (Recoverable and Non-Recoverable)

**NYC00031 - Genuity, Inc.**

Currency: USD - US Dollar

EXPENSE TYPE	TRANS DATE	DESCRIPTION	BALANCE
<b>OPENING BALANCE</b>	<b>02/01/03</b>		<b>0.00</b>
<b>Car Services and Taxis</b>			
	02/03/03	Riley-R 01/06/2003 18:51 120 SULLIVA / ROYAL DISPATCH SERVICES, INC.	69.36
	02/03/03	Descoteaux-R 01/17/2003 21:20 211 W 56 / ROYAL DISPATCH SERVICES, INC.	55.08
	02/03/03	Riley-R 01/15/2003 07:57 LAG / ROYAL DISPATCH SERVICES, INC.	40.80
	02/10/03	Aronson-D 01/16/2003 17:17 AS DIR MH / DIAL CAR INC	66.81
	02/10/03	Johnson-D 01/16/2003 15:03 30 RICK PLZ / DIAL CAR INC	62.73
	02/10/03	Johnson-D 01/15/2003 07:31 LAG AP / DIAL CAR INC	47.43
	02/10/03	Descoteaux-D 01/15/2003 07:42 LAG / DIAL CAR INC	45.39
	02/10/03	Aronson-D 01/15/2003 07:43 LAG AP / DIAL CAR INC	41.31
	02/13/03	Descoteaux-D 01/16/2003 17:12 MH AD / DIAL CAR INC	66.81
	02/13/03	Aronson-D 01/23/2003 13:03 1 BOWLING G / DIAL CAR INC	23.46
	02/13/03	Aronson-D 01/24/2003 13:01 1 BOWLING G / DIAL CAR INC	23.46
	02/18/03	Riley-12/16 TAXI TO AIRPORT / PHILIP RILEY	22.00
	02/18/03	Riley-1/15 TAXI FR GENUITY'S / PHILIP RILEY	14.00
	02/18/03	Riley-12/15 TAXI FR LAZARD/MTNG / PHILIP RILEY	8.00
	02/18/03	Riley-1/9 TOLL IN BOSTON / PHILIP RILEY	3.00
	02/18/03	Riley-12/15 TOLL IN MASSACHUTTES / PHILIP RILEY	3.00
	02/27/03	Riley-R 01/16/2003 15:36 NS / ROYAL DISPATCH SERVICES, INC.	49.98
	03/06/03	Aronson-01/16 BOSTON HARBOR HTL-CAR SV / AMERICAN EXPRESS CO.	98.11
	03/26/03	Descoteaux-O 03/13/2003 00:00 M / NEW YORK TRANSPORTATION CORP.	19.00
	04/07/03	Figueredo-C 01/15/2003 03:10 W 146 ST , / CORPORATE TRANSPORTATION	31.62
	04/07/03	Figueredo-C 12/03/2002 02:50 W 146 ST , / CORPORATE TRANSPORTATION	26.52
	04/07/03	Figueredo-C 12/18/2002 01:02 W 93 ST , M / CORPORATE TRANSPORTATION	21.93
	04/07/03	Figueredo-C 11/26/2002 01:02 W 93 ST , M / CORPORATE TRANSPORTATION	19.38
	04/07/03	Figueredo-C 01/02/2003 12:00 W 93 ST , M / CORPORATE TRANSPORTATION	19.38
	04/07/03	Figueredo-C 01/06/2003 04:02 341 E 65 ST / CORPORATE TRANSPORTATION	19.38
	04/08/03	Johnson-1/17 NEW YORK / EMILY JOHNSON	9.00
	04/08/03	Johnson-1/5 NEW YORK / EMILY JOHNSON	8.00
	04/08/03	Johnson-1/25 NEW YORK / EMILY JOHNSON	8.00



## DEAL OPEN ITEMS BY CATEGORY

ALL EXPENSES (Recoverable and Non-Recoverable)

**NYC00031 - Genuity, Inc.**

Currency: USD - US Dollar

EXPENSE TYPE	TRANS DATE	DESCRIPTION	BALANCE
<b>Car Services and Taxis</b>	04/08/03	Johnson-1/9 NEW YORK / EMILY JOHNSON	8.00
	04/08/03	Johnson-1/6 NEW YORK / EMILY JOHNSON	7.00
	04/08/03	Johnson-1/11 NEW YORK / EMILY JOHNSON	7.00
	04/08/03	Johnson-1/25 NEW YORK / EMILY JOHNSON	6.00
		Subtotal:	950.94
<b>Couriers / Shipping</b>	03/10/03	UPS BILLING / UNITED PARCEL SERVICE INC.	11.06
	03/27/03	MESSENGER SRVCE / N.Y. MINUTE MESSENGER	33.75
	03/27/03	UPS BILLING/INV# E113 / UNITED PARCEL SERVICE INC.	14.72
	04/01/03	F 10-DEC-2002 ILLEGIBLE / FEDERAL EXPRESS CORP	10.30
		Subtotal:	69.83
<b>Electronic Information Service</b>	02/14/03	ONLINE CHGS 12/02-E. JOHNSON / LEXIS-NEXIS DIVISION OF REED	210.69
	02/24/03	INVESTEXT DEC02 / THOMSON FINANCIAL INVESTMENT	52.50
	02/25/03	SECURITIES DATA CO CHGS 1/03 / THOMSON FINANCIAL INVESTMENT	623.54
	02/25/03	SECURITIES DATA CO CHGS 1/03 / THOMSON FINANCIAL INVESTMENT	128.52
	02/25/03	GLOBAL CHRBCS 1/03 USAGE / THOMSON FINANCIAL INVESTMENT	107.05
	02/25/03	GLOBAL CHRBCS 1/03 USAGE / THOMSON FINANCIAL INVESTMENT	11.78
	03/10/03	JANUARY USAGE / LEXIS-NEXIS DIVISION OF REED	51.47
	03/10/03	JANUARY USAGE / LEXIS-NEXIS DIVISION OF REED	35.08
	03/18/03	PART OF PYT FM9/02 INVOICE / DJRBI, LLC	3.04
	03/26/03	CHRGBACKS FOR INV (FEB03) / THOMSON FINANCIAL INVESTMENT	50.55
	03/27/03	02/03 USAGE CHRGS / LEXIS-NEXIS DIVISION OF REED	97.78
			Subtotal:
<b>Employee Meals</b>	03/26/03	Aronson-M 13-JAN-2003 Shun Lee Palace / SEAMLESSWEB PROFESSIONAL	20.50
	03/26/03	Johnson-M 27-JAN-2003 Blake & Todd / SEAMLESSWEB PROFESSIONAL	20.50
	03/26/03	Riley-M 13-JAN-2003 Mangia (48th St. / SEAMLESSWEB PROFESSIONAL	20.27
	03/26/03	Johnson-M 21-JAN-2003 Blake & Todd / SEAMLESSWEB PROFESSIONAL	20.21



## DEAL OPEN ITEMS BY CATEGORY

ALL EXPENSES (Recoverable and Non-Recoverable)

**NYC00031 - Genuity, Inc.**

Currency: USD - US Dollar

EXPENSE TYPE	TRANS DATE	DESCRIPTION	BALANCE	
<b>Employee Meals</b>	03/26/03	Johnson-M 14-JAN-2003 Fresh Basil's / SEAMLESSWEB PROFESSIONAL	19.94	
	03/26/03	Riley-M 14-JAN-2003 Mangia (48th St. / SEAMLESSWEB PROFESSIONAL	19.11	
	03/26/03	Johnson-M 15-JAN-2003 Bukhara Grill / SEAMLESSWEB PROFESSIONAL	19.00	
	03/27/03	Johnson-M 06-JAN-2003 Blake & Todd / SEAMLESSWEB PROFESSIONAL	20.01	
	03/27/03	Johnson-M 05-JAN-2003 Hakata Grill / SEAMLESSWEB PROFESSIONAL	7.98	
		Subtotal:		167.52
<b>Meals-Subsistence</b>	02/10/03	Riley-12/16 LEGAL SEA FOODS,MA / AMERICAN EXPRESS CO.	164.07	
	02/10/03	Riley-12/15 UNION OYSTER HSE.MA / AMERICAN EXPRESS CO.	51.96	
	02/10/03	Riley-12/17 ON THE BORDER,MA / AMERICAN EXPRESS CO.	43.82	
	02/10/03	Riley-01/05 LEGAL SEA FOODS,MA / AMERICAN EXPRESS CO.	31.72	
	02/10/03	Riley-12/16 NINE ZERO / AMERICAN EXPRESS CO.	23.15	
	02/10/03	Riley-12/17 HMSHOST,,MA / AMERICAN EXPRESS CO.	18.38	
	02/10/03	Riley-12/16 NINE ZERO / AMERICAN EXPRESS CO.	13.64	
	02/18/03	Riley-1/6 LNCH WHILE IN BOSTON / PHILIP RILEY	6.46	
	02/18/03	Riley-12/15 LGA AIRPORT / PHILIP RILEY	5.07	
	02/18/03	Riley-1/9 LGA AIRPORT / PHILIP RILEY	4.34	
	03/04/03	Johnson-1/16 BOSTON HARBOR HTL BOSTON / AMERICAN EXPRESS CO.	38.41	
	03/06/03	Aronson-01/16 BOSTON HARBOR HTL CHARGE / AMERICAN EXPRESS CO.	30.11	
		Subtotal:		431.13
	<b>Telephone/Telex/Fax-Usage/Re</b>	02/06/03	CONFERENCE CALLS (DEC '02) / AT&T TELECONFERENCE SERVICES	297.58
		02/10/03	Riley-01/07 RESIDENCE INN / AMERICAN EXPRESS CO.	65.88
02/10/03		Riley-01/05 AT&T WIRELESS / AMERICAN EXPRESS CO.	15.16	
02/10/03		Riley-12/17 RESIDENCE INN / AMERICAN EXPRESS CO.	9.32	
02/24/03		Descoteaux-1/28 AT&T WIRELESS SRVCS / AMERICAN EXPRESS CO.	54.15	
02/25/03		CONFERENCE CALLS (JAN '03) / AT&T TELECONFERENCE SERVICES	55.47	
03/31/03		Descoteaux-02/28 AT&T WS / AMERICAN EXPRESS CO.	39.41	
		Subtotal:		536.97



## DEAL OPEN ITEMS BY CATEGORY

ALL EXPENSES (Recoverable and Non-Recoverable)

**NYC00031 - Genuity, Inc.**

Currency: USD - US Dollar

EXPENSE TYPE	TRANS DATE	DESCRIPTION	BALANCE
<b>Temporary Wages</b>			
	02/20/03	WORD PROCESSING / HEADWAY CORPORATE STAFFING	16.90
	02/20/03	WORD PROCESSING / HEADWAY CORPORATE STAFFING	8.27
	02/20/03	WORD PROCESSING / WINSTON GRAPHIC	5.94
	03/10/03	WORD PROCESSING / WINSTON GRAPHIC	12.87
	03/10/03	WORD PROCESSING / WINSTON GRAPHIC	11.88
	03/10/03	WORD PROCESSING / WALL STREET SERVICES, INC.	10.35
		Subtotal:	66.21
<b>Travel</b>			
	02/10/03	Riley-12/21 BOSTON/NEWARK / AMERICAN EXPRESS CO.	525.00
	02/10/03	Riley-12/24 HERTZ RAC,TX / AMERICAN EXPRESS CO.	359.00
	02/10/03	Riley-01/05 NEWARK/BOSTON / AMERICAN EXPRESS CO.	262.50
	02/10/03	Riley-12/14 LAG/BOSTON/LAG / AMERICAN EXPRESS CO.	237.00
	02/10/03	Riley-01/09 BOSTON/LAG / AMERICAN EXPRESS CO.	226.50
	02/10/03	Riley-12/16 NINE ZERO / AMERICAN EXPRESS CO.	223.77
	02/10/03	Riley-12/16 NINE ZERO / AMERICAN EXPRESS CO.	223.77
	02/10/03	Riley-12/17 BOSTON/NEWARK / AMERICAN EXPRESS CO.	196.46
	02/10/03	Riley-01/07 BOSTON/NEWARK / AMERICAN EXPRESS CO.	196.46
	02/10/03	Riley-01/07 RESIDENCE INN / AMERICAN EXPRESS CO.	195.26
	02/10/03	Riley-12/15 HERTZ RAC,MA / AMERICAN EXPRESS CO.	179.33
	02/10/03	Riley-12/16 BOSTON/LAG / AMERICAN EXPRESS CO.	122.45
	02/10/03	Riley-12/16 RESIDENCE INN.MA / AMERICAN EXPRESS CO.	119.57
	02/10/03	Riley-12/17 RESIDENCE INN / AMERICAN EXPRESS CO.	119.57
	02/10/03	Riley-01/08 LAG/BOSTON / AMERICAN EXPRESS CO.	118.50
	02/10/03	Riley-01/03 BOSTON/LAG / AMERICAN EXPRESS CO.	118.50
	02/10/03	Riley-01/05 LAG/BOSTON / AMERICAN EXPRESS CO.	118.50
	02/10/03	Riley-01/09 HERTZ RAC,MA / AMERICAN EXPRESS CO.	99.79
	02/10/03	Riley-01/06 RESIDENCE INN / AMERICAN EXPRESS CO.	97.63
	02/10/03	Riley-01/05 HERTZ RAC,MA / AMERICAN EXPRESS CO.	91.79
	02/10/03	Riley-12/23 RESIDENCE INN / AMERICAN EXPRESS CO.	86.66
	02/24/03	Descoteaux-1/16 BOSTON HARBOR HTL-MA / AMERICAN EXPRESS CO.	407.02



## DEAL OPEN ITEMS BY CATEGORY

ALL EXPENSES (Recoverable and Non-Recoverable)

**NYC00031 - Genuity, Inc.**

Currency: USD - US Dollar

EXPENSE TYPE	TRANS DATE	DESCRIPTION	BALANCE
<b>Travel</b>	02/24/03	Descoteaux-1/14 LGA/BOSTON,MA / AMERICAN EXPRESS CO.	226.50
	02/24/03	Descoteaux-1/14 BOSTON,MA/LGA / AMERICAN EXPRESS CO.	226.50
	03/04/03	Johnson-1/16 BOSTON HARBOR HTL BOSTON / AMERICAN EXPRESS CO.	354.22
	03/04/03	Johnson-1/14 LAG/BOSTON / AMERICAN EXPRESS CO.	226.50
	03/04/03	Johnson-1/14 BOSTON/LAG / AMERICAN EXPRESS CO.	226.50
	03/06/03	Aronson-01/16 BOSTON HARBOR HTL CHARGE / AMERICAN EXPRESS CO.	354.22
	03/06/03	Aronson-01/14 USAIR-LGA-BOSTON / AMERICAN EXPRESS CO.	226.50
	03/06/03	Aronson-01/14 USAIR-BOSTON-LGA / AMERICAN EXPRESS CO.	226.50
		Subtotal:	
<b>Miscellaneous Expenses</b>	02/10/03	Riley-01/07 RESIDENCE INN / AMERICAN EXPRESS CO.	76.97
	02/10/03	Riley-12/16 NINE ZERO / AMERICAN EXPRESS CO.	60.75
	02/10/03	Riley-01/06 RESIDENCE INN / AMERICAN EXPRESS CO.	11.99
	02/10/03	Riley-12/17 RESIDENCE INN / AMERICAN EXPRESS CO.	0.75
		Subtotal:	
<b>CLOSING BALANCE as of 4/3/03</b>			<b>10,137.53</b>