

UNITED STATES BANKRUPTCY COURT HEARING DATE: **January 28, 2004**
 SOUTHERN DISTRICT OF NEW YORK HEARING TIME: **2:30 p.m.**

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

**STATEMENT OF NO OBJECTION OF THE
 UNITED STATES TRUSTEE TO FINAL APPLICATIONS
 FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**

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

The United States Trustee for the Southern District of New York (the "United States Trustee") has reviewed the following applications seeking awards of final compensation plus reimbursement of out-of-pocket expenses.

<u>APPLICANT</u>	<u>PERIOD</u>	<u>FEEs</u>	<u>EXPENSES</u>	<u>HOURS</u>
Ropes & Gray LLP Counsel for Debtors	8/1/03 - 11/30/03	\$1,637,833.50	\$132,545.62	4,827.10
LeBoeuf, Lamb, Greene & MacRae, L.L.P Special Counsel for Debtors	3/3/03 - 11/30/03	\$141,415.50	\$10,985.63	433.60
Morrison & Foerster, LLP Special Counsel for Debtors	8/1/03 - 12/2/03	\$163,680.75	\$5,540.70	453.25

<u>APPLICANT</u>	<u>PERIOD</u>	<u>FEES</u>	<u>EXPENSES</u>	<u>HOURS</u>
Baker & McKenzie Special Counsel for Debtors	8/1/03 - 12/2/03	\$147,472.16	\$7,136.90	391.60
Skadden, Arps, Slate, Meagher & Flom LLP Special Counsel for Debtors	8/1/03 - 11/30/03	\$43,520.00	\$1,594.96	114.80
Kramer Levin Naftalis & Frankel LLP Counsel for the Creditors' Committee	8/1/03 - 12/2/03	\$1,043,705.00	\$33,825.77	2,450.90
Deloitte & Touche LLP Financial Advisors for the Creditors Committee	8/1/03 - 12/2/03	\$304,838.71	\$3,412.02	409.90
Kirkland & Ellis LLP Special Counsel for Debtors	8/1/03 - 12/2/03	\$241,664.50	\$74,180.63	626.50
Alvarez & Marsal Restructuring Consultants for Debtors	8/1/03 - 12/2/03	N/A ¹	N/A	N/A
Ernst & Young LLP Auditors for Debtors	6/28/03 - 10/31/03	\$50,235.00	\$342.00	198.80
Lovells Counsel for Creditors' Committee Member Nortel Networks, Inc. ²	4//2/03 - 12/2/03	\$345,020.00	N/A	729.90

¹ No additional work was performed by Alvarez & Marsal after what was billed and accounted for in its interim fee application that was approved on March 25, 2003. See Final Statement of Alvarez & Marsal at page 1.

² Counsel for Nortel Networks, Inc. seeks compensation pursuant to 11 U.S.C. §§ 503(b)(3) and (b)(4). See Application of Nortel Networks, Inc. at page 1.

<u>APPLICANT</u>	<u>PERIOD</u>	<u>FEEES</u>	<u>EXPENSES</u>	<u>HOURS</u>
Shearman & Sterling LLP Counsel for Creditors' Committee Member JPMorgan Chase Bank ³	4/3/03 - 12/2/03	\$508,904.00	\$13,501.61	1,117.10
TOTAL:		\$4,628,289.12	\$283,065.84	11,753.45

STATEMENT

As to All Applicants

The United States Trustee is pleased to note the debtors' success in confirming their Joint Consolidated Plan of Liquidation (the "Plan"), which was confirmed by order of the Court on November 21, 2003. Pursuant to the Plan, the Genuity Liquidating Trust was created to wind down the remaining estate assets and to administer claims and distributions to creditors. The Plan went into effect on December 2, 2003.

The United States Trustee has no objection to final approval and payment in full of all fees and expenses requested by applicants in these cases.

³ Counsel for JPMorgan Chase Bank seeks compensation pursuant to 11 U.S.C. §§ 503(b)(3) and (b)(4). See Application of JPMorgan Chase Bank at page 1.

WHEREFORE, the United States Trustee respectfully requests that the Court grant such relief as the Court may deem just and proper.

Dated: New York, New York
January 26, 2004

Respectfully submitted,
DEIRDRE A. MARTINI
UNITED STATES TRUSTEE

By: /s/ Brian S. Masumoto
Brian S. Masumoto (BSM-8116)
Attorney
33 Whitehall Street
21st Floor
New York, New York 10004
Tel. No. (212) 510-0500