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Attorneys for the Official
Committee of Unsecured Creditors

Hearing Date:
April 22, 2004 at 9:45 a.m.

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

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In re: :
:
: **Chapter 11**
: **Case No. 02-40188 (REG)**
: **(Jointly Administered)**
:
GLOBAL CROSSING LTD, *et al.*, :
:
: **Debtors** :
:
:
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**SUMMARY COVER SHEET FOR FOURTH AND FINAL APPLICATION OF BROWN
RUDNICK BERLACK ISRAELS LLP, ATTORNEYS FOR THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR
SERVICES RENDERED FROM APRIL 1, 2003 THROUGH DECEMBER 9, 2003⁺, AND
FOR REIMBURSEMENT OF EXPENSES**

Name of Applicant: Brown Rudnick Berlack Israels LLP
Role in Case: Attorneys for the Official Committee of
Unsecured Creditors
Retainer Paid: None

⁺ The Fourth and Final Fee Application (the “Fee Application”) also includes a request to approve certain fees for the period prior to the Petition Date and the short pre-petition period prior to the formation of the Creditors’ Committee and the formal retention of Brown Rudnick Berlack Israels LLP (“BRBI”) during which BRBI provided services to an ad hoc noteholders’ committee that BRBI believes qualify as a substantial contribution to the Debtors’ estates, as more fully described herein.

Fourth Application Period for which compensation and reimbursement is sought:

April 1, 2003 through December 9, 2003

Fees Requested: \$3,193,170.00
Expenses Requested: \$126,176.60

Entire Fee Period for which final allowance of compensation and reimbursement is sought:

February 7, 2002 through December 9, 2003

Fees Requested: \$11,511,537.00
Expenses Requested: \$602,892.24

Fees Previously Requested: \$8,419,113.00
Fees Previously Awarded (amount awarded reflects the reductions made as further described below): \$8,321,719.00

Expenses Previously Requested: \$489,745.24
Expenses Previously Awarded (amount awarded reflects the reductions made as further described below): \$467,483.06

Pre-Petition Period for Which Compensation is Sought:

December 11, 2001 through January 25, 2002

Fees Requested: \$66,587.00

Post Petition (Pre-Retention) Period for Which Compensation is Sought:

January 28, 2002 through February 6, 2002

Fees Requested: \$45,605.50

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GLOBAL CROSSING LTD, *et al.*, : **Chapter 11**
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**FOURTH AND FINAL APPLICATION OF BROWN RUDNICK BERLACK ISRAELS LLP,
ATTORNEYS FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED FROM APRIL 1, 2003
THROUGH DECEMBER 9, 2003⁺, AND FOR REIMBURSEMENT OF EXPENSES**

TO THE HONORABLE ROBERT E. GERBER
UNITED STATES BANKRUPTCY JUDGE:

Brown Rudnick Berlack Israels LLP (“BRBI”), attorneys for the statutory committee of unsecured creditors (the “Committee”) appointed in the Chapter 11 cases of Global Crossing Ltd., et al., debtors and debtors in possession (collectively, the “Debtors”), submits this fourth and final application (the “Application”), pursuant to sections 330(a) and 331 of Title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy

⁺ The Fourth and Final Fee Application (the “Fee Application”) also includes a request to approve certain fees for the period prior to the Petition Date and the short pre-petition period prior to the formation of the Creditors’ Committee and the formal retention of Brown Rudnick Berlack Israels LLP (“BRBI”) during which BRBI provided services to an ad hoc noteholders’ committee that BRBI believes qualify as a substantial contribution to the Debtors’ estates, as more fully described herein.

Procedure (the “Bankruptcy Rules”), for (i) final allowance of compensation for professional services rendered from April 1, 2003 through December 9, 2003 (the “Fourth Fee Application Period”) and for reimbursement of related expenses¹, (ii) final allowance of compensation for professional services rendered during the administrative phase of these cases from February 7, 2002 through December 9, 2003 and (iii) final allowance of compensation for certain fees and reimbursement of expenses incurred by BRBI as counsel to an ad hoc noteholders committee prior to the commencement of these cases and prior to BRBI’s formal appointment as counsel to the Creditors’ Committee. In support thereof BRBI respectfully represents:

Summary of Application

1. BRBI seeks allowance of final compensation for professional services rendered to the Committee during the Fourth Fee Application Period in the aggregate amount of \$3,193,170.00 and for reimbursement of expenses incurred and recorded in connection with the rendition of such services in the aggregate amount of \$126,176.60². The amounts included in the Fourth Fee Application Period include \$190,798.75 in fees and \$19,770.13 in expenses attributable to the December Fee Period. BRBI has also included an estimate to cover time and expenses that it will incur in connection with the hearing on approval of the Final Fee Application. Of course, BRBI will not seek to recover more than its actual time and expenses.

2. During the December Fee Period, BRBI attorneys and paraprofessionals expended a total of 477.70 hours for which compensation is requested. A schedule setting forth the number of

¹ The Fourth Fee Application Period includes fees and expenses attributable to the period of December 5, 2003 through the December 9, 2003 effective date, plus a small amount of post effective date time related to the closing and fee application preparation (the “December Fee Period”). The billing detail attributable to the December Fee Period had not yet been provided to the Fee Committee. It is separately disclosed herein on Exhibits A through C.

² Certain expenses have been reduced or eliminated in accordance with the Fee Committee’s guidelines including photocopying charges (which have been reduced to \$.10 per page) and secretarial overtime (which has been eliminated).

hours expended by each of the partners, associates, and paraprofessionals of BRBI who rendered services to the Committee, their respective hourly rates, and the year of bar admission for each BRBI attorney is attached hereto as Exhibit “A”. A schedule setting forth the total number of hours expended by the attorneys and paraprofessionals of BRBI by project category, and the aggregate fees associated with each project category during the December Fee Period, is attached hereto as Exhibit “B” as well as detailed time records relating to each project category³. Detailed descriptions of the expenses for which BRBI is seeking reimbursement during the December Fee Period are attached hereto as Exhibit “C”.

3. During the Fourth Fee Application Period, BRBI attorneys and paraprofessionals expended a total of 9,325.00 hours for which compensation is requested. A schedule setting forth the number of hours expended by each of the partners, associates, and paraprofessionals of BRBI who rendered services to the Committee, their respective hourly rates, and the year of bar admission for each BRBI attorney is attached hereto as Exhibit “D”. A narrative description of the services performed in each project category and a schedule setting forth the total number of hours expended by the attorneys and paraprofessionals of BRBI by project category, and the aggregate fees associated with each project category, is attached hereto as Exhibit “E”. Detailed descriptions of the expenses incurred during the Fourth Fee Application Period for which BRBI is seeking reimbursement are attached hereto as Exhibit “F”. Detailed time records on a project category basis for the Fourth Fee Application Period are attached hereto as Exhibit “G”.

4. In preparing this Application BRBI has complied with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the “Local Guidelines”), the United States Trustee

³ The detailed time records for the December Fee Period have been provided to the Court and the Fee Committee.

Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 adopted on January 30, 1996 (the “UST Guidelines”), and the Court’s Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals dated January 28, 2002 (the “Administrative Order”), the Court’s Order Approving and Implementing Fee Committee and Fee Procedures Protocol (the “Fee Committee Order”) and recommendations set forth in the Fee Committee’s Statement in Regard to the Application for Second Interim Compensation and the Fee Committee’s Statement in Regard to the Third Interim Application for Compensation and Reimbursement of Expenses (together, the “Fee Committee Recommendations” and, collectively with the Fee Committee Order, Administrative Order, the Local Guidelines, and the UST Guidelines, the “Guidelines”). A certification regarding compliance with the Guidelines is annexed hereto as Attachment 1.

Jurisdiction and Venue

5. The Court has jurisdiction to consider the Application pursuant to 28 U.S.C. §§ 157 and 1334, and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 10, 1984 (Ward, Acting C.J.). Consideration of the Application is a core proceeding pursuant to 28 U.S.C. § 157. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

6. In late December 2001, over a month before the Debtors filed their bankruptcy petitions, BRBI was retained to represent an ad hoc committee of noteholders (the “Ad Hoc Noteholders Committee”) of Global Crossing Holdings Ltd., a wholly owned subsidiary of Global Crossing Ltd.

7. On January 28, 2002, the majority of the Debtors filed their respective voluntary petitions for relief under chapter 11 of the Bankruptcy Code.⁴ The Debtors' chapter 11 cases are being jointly administered. The Plan of Reorganization was confirmed in December 2002 and the effective date of the Plan was December 19, 2003 (the "Effective Date").

8. On February 7, 2002, the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed the Committee. On February 7, 2002 the Committee selected BRBI to be its counsel. On March 13, 2002, the Court approved BRBI's retention as counsel to the Committee *nunc pro tunc* to February 7, 2002, to render legal services to the Committee in these chapter 11 cases. As set forth more fully in the Committee's application to employ BRBI at the outset of these cases, BRBI has extensive experience in representing statutory committees in chapter 11 cases, as part of its prominent legal practice in financial restructurings and bankruptcy reorganizations.

9. The administrative phase of these cases took nearly two years to complete due to the length of time it took to obtain regulatory approval of the purchase transaction that formed the bases for the plan of reorganization. Notwithstanding that time period, BRBI believes it ran these cases on behalf of the Committee very efficiently and with very good results for the Committee's constituents. While some aspects of the cases were litigious, BRBI worked cooperatively with the other major interested parties, especially the Debtors, to carefully coordinate which disputes could be negotiated to an acceptable resolution, which needed to be contested, and when contested how best to handle the related litigation in a cost effective manner by allocating tasks between the Creditors' Committee and the Debtors.

⁴ A majority of the Debtors filed their petitions on January 28, 2002. Subsequently, GT U.K. Ltd. filed its petition on April 24, 2002, SAC Peru S.R.L. filed its petition on August 3, 2002 and 23 additional related companies filed their petitions on August 30, 2002.

10. BRBI believes that the results achieved for the Creditors' Committee constituents was very good. Based on the Debtors' capital and debt structure and the structure of the Plan, the Committee elected to negotiate the bulk of its Plan consideration in the form of restructured equity. BRBI, along with the Committee's financial advisors, was instrumental in achieving the "split" with the bank group that is referred to in the Plan. Based upon the initial trading price of New GX stock at emergence, the negotiated split provided significant upside to the Committee's constituents.

11. This is BRBI's fourth interim and final application for allowance of compensation for services rendered and for reimbursement of expenses. BRBI has previously provided monthly fee statements (with the exception of the fee statements for the December Fee Period which is included herein) to the Debtors, the U.S. Trustee, and attorneys for the Debtors' prepetition lenders and the fee committee in accordance with the provisions of the Administrative Order and the Fee Committee Order and has received payments with respect thereto as set forth below (which reflects the period through this Fourth Fee Application Period):

Monthly Statement	Total Fees	Fees Paid	Total Expenses	Expenses Paid
2/7/02 – 2/28/02	\$317,203.50	\$317,203.50	\$1,344.34	\$1,344.34
3/1/02 – 3/31/02	\$404,266.50	\$404,266.50	\$30,400.66	\$30,400.66
4/1/02 – 4/30/02	\$476,446.00	\$476,446.00	\$26,911.87	\$26,911.87
5/1/02 – 5/31/02	\$676,072.00	\$676,072.00	\$48,700.82	\$48,700.02
6/1/02 – 6/30/02	\$925,651.50	\$925,651.50	\$51,883.54	\$51,883.54
7/1/02 – 7/31/02	\$913,606.25	\$913,606.25	\$76,548.86	\$76,548.86
8/1/02 – 8/31/02	\$696,188.75	\$696,188.75	\$35,718.18	\$35,718.18
9/1/02 – 9/30/02	\$685,107.00	\$685,107.00	\$41,116.94	\$41,116.94
Second Interim Fee Period Reduced by Agreement ⁵	(\$42,610.00)	\$0.00	(\$22,262.18)	\$0.00
10/1/02 – 10/31/02	\$711,838.00	\$711,838.00	\$30,476.89	\$30,476.89
11/1/02 – 11/30/02	\$709,484.50	\$709,484.50	\$29,102.39	\$29,102.39
12/1/02 – 12/31/02	\$392,429.00	\$392,429.00	\$36,842.01	\$36,842.01
1/1/03 – 1/31/03	\$394,615.50	\$394,615.50	\$13,292.22	\$13,292.22
2/1/03 – 2/28/03	\$525,548.00	\$525,548.00	\$29,422.22	\$29,422.22
3/1/03 – 3/31/03	\$590,656.50	\$590,656.50	\$27,539.95	\$27,539.95
Third Interim Fee Period Reduced by Agreement ⁶	(\$33,136.00)	\$0.00	\$0.00	\$0.00
4/1/03 - 4/30/03	\$528,633.50	\$422,906.80	\$16,994.02	\$16,994.02
5/1/03 – 5/31/03	\$231,008.50	\$184,806.80	\$16,344.70	\$16,344.70
6/1/03 – 6/30/03	\$407,239.75	\$325,791.80	\$17,051.09	\$17,051.09
7/1/03 – 7/31/03	\$184,169.00	\$147,335.20	\$21,954.99	\$21,954.99
8/1/03 – 8/31/03	\$124,308.50	\$99,446.80	\$7,206.84	\$7,206.84
9/1/03 – 9/30/03	\$471,036.00	\$376,828.80	\$18,026.76	\$18,026.76
10/1/03 – 10/31/03 ⁷	\$486,710.00	\$389,368.00	\$15,866.56	\$15,866.56

⁵ In response to recommendations made by the Fee Committee BRBI has reduced its fees and expenses for the period May 1, 2002 through September 30, 2002 by the amounts indicated.

⁶ In response to recommendations made by the Fee Committee BRBI has reduced its fees and expenses for the period October 1, 2002 through March 31, 2003 by the amounts indicated.

11/1/03 – 11/14/03	\$287,775.50	\$230,220.40	\$7,826.17	\$7,826.17
11/14/03 – 12/4/03	\$261,598.00	\$0.00	\$4,812.27	\$0.00
12/5/03 – 12/9/03	\$190,798.75	\$0.00	\$19,770.13	\$0.00
Pre-Petition Period 12/11/01 – 1/25/02	\$ 66,587.75	\$0.00	\$0.00	\$0.00
Pre-Petition (Pre- Retention) Period 1/28/02 – 2/6/02	\$ 45,605.75	\$0.00	\$0.00	\$0.00

Services Rendered by BRBI During the Fourth Fee Application Period

12. BRBI has recorded time charges in these cases separately for each matter as to which it has given attention during the Fourth Fee Application Period. For purposes of this Application, the services rendered have been segregated into thirteen (13) categories, as follows:

- a. General Administrative Matters
- b. BRBI Retention/Fee Applications
- c. Other Professional Retentions
- d. Plan of Reorganization
- e. Estate Actions
- f. Creditor Inquiries
- g. Committee Meetings
- h. Executory Contracts
- i. Other Motion Practice
- j. Travel Time

⁷ Expense charges in the amount of \$270 relating to secretarial overtime were inadvertently charged for this period and will be deducted from the total expense reimbursement sought herein as set forth on Exhibit F.

- k. Proof of Claim Review
- l. Avoidance Actions
- m. Pre-Petition Role as Counsel to the Ad Hoc Noteholders Committee and Post-Petition (Pre-Retention) Role as Counsel to the Ad Hoc Noteholders Committee

13. Attached hereto as Exhibit "E" is a narrative description of the services performed in each project category and a schedule setting forth the total number of hours expended by the attorneys and paraprofessionals of BRBI by project category and the aggregate fees associated with each project category referenced above in paragraph 12.

Disbursements

14. BRBI has disbursed \$126,176.60 as expenses incurred and recorded in providing professional services during the Fourth Fee Application Period. Each of these expenses does not exceed the maximum rate set by the Guidelines. These charges are intended to cover BRBI's direct costs, which costs are not incorporated into the BRBI hourly fees. Only clients who actually use services of the types for which reimbursement is sought are separately charged for such service. The effect of including such expenses as part of the monthly fee would impose that cost upon clients who do not require such services.

15. In these proceedings, BRBI charges \$.10 per page for internal duplicating, \$1.00 per page for outgoing domestic and international facsimile transmissions. BRBI does not charge for incoming facsimile transmissions. The amount of the standard photocopying charge is intended to allow BRBI to cover the related expenses of its photocopying service.

16. Due to the location of the members of the Committee and their respective professionals, the need for frequent Committee meetings and the general needs of these cases, frequent long distance telephone calls have been required. On several occasions, overnight delivery of

documents and other materials was required as a result of urgent needs necessitating the use of such express services.

17. The time constraints imposed by the circumstances of these cases have required BRBI's professionals at times to devote time during the evenings and on weekends to the performance of legal services on behalf of the Committee. While not frequent, these extraordinary services were essential in order to meet deadlines, and satisfy the demands of the Committee in providing high-quality legal services. Consistent with the provisions of the Guidelines, BRBI has sought reimbursement for the expenses related to working meals and transportation, consistent with the provisions of the Guidelines.

18. BRBI respectfully submits that the actual expenses incurred in providing professional services for which reimbursement is sought in this Application were necessary, reasonable, and justified under the circumstances to serve the needs of the Committee in fulfilling their statutory obligations.

The Requested Compensation Should Be Allowed

19. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 to govern a court's award of such compensation. 11 U.S.C. section 330 provides that a court may award a professional employed by the Committee under section 1103 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered . . . and reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1).

20. Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

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

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

21. As set forth in greater detail below, BRBI respectfully submits that it has satisfied the requirements of section 330 of the Bankruptcy Code. The services for which it seeks compensation in this Application were necessary for and beneficial to the Committee, the creditors, and the Debtors' estates. BRBI's request for compensation is reflective of a reasonable and appropriate amount of time expended in performing such services commensurate with the complexity, importance and nature of the problem, issue, or task involved. These services were performed without unnecessary duplication of effort by professionals employed by BRBI. The compensation sought by BRBI is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code. Indeed, BRBI's monthly fees are comparable with other similarly qualified legal advisors appearing in these and other chapter 11 cases. For all of the foregoing reasons, BRBI respectfully requests that the Court grant this Application.

Statements of BRBI

22. No agreement or understanding prohibited by section 504 of the Bankruptcy Code exists between BRBI and any other person for a sharing of compensation received or to be received for services rendered in or in connection with these chapter 11 cases, nor shall BRBI share or agree to share the compensation paid or allowed from the Debtors' estates for such services with any other person in contravention of section 504 of the Bankruptcy Code. No agreement or understanding prohibited by 18 U.S.C. § 155 has been made by BRBI.

23. Pursuant to Bankruptcy Rule 2016, BRBI states that no payments have heretofore been made or promised to BRBI for services rendered or to be rendered in any capacity in connection with these chapter 11 cases, except as authorized by the Court in its order dated March 13, 2002 approving the retention of BRBI (with the exception of the interim payments made in connection with the February, 2002 through December 4, 2003 monthly fee statements and this Court's three prior orders approving interim compensation.)

Waiver of Memorandum of Law

24. Pursuant to Local Bankruptcy Rule for the Southern District of New York 9013-1(b), because there are no novel issues of law presented by this Application, BRBI respectfully requests that the Court waive the requirement that BRBI file a memorandum of law in support of this Application.

WHEREFORE, BRBI respectfully requests (i) final allowance of compensation for professional services rendered from April 1, 2003 through December 9, 2003 in the amount of \$3,193,170.00, (ii) final allowance for reimbursement of related expenses in the amount of \$126,176.60, (iii) final allowance of compensation for professional services rendered during the administrative phase of these cases from February 7, 2002 through December 9, 2003 in the amount of \$11,511,537.00, (iv) final allowance for reimbursement of related expenses in the amount of \$602,892.24, (v) final allowance of compensation for certain fees incurred by BRBI as counsel to the Ad Hoc Noteholders Committee prior to the commencement of these cases and during the Pre-Petition Period in the amount of \$66,587.00, (vi) final allowance of compensation for professional services rendered to the Ad Hoc Noteholders Committee during the Post-Petition (Pre-Retention) Period in the amount of \$45,605.50, and (vii) such other and further relief as is just.

Dated: Boston, Massachusetts
February 9, 2004

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