

Professionals	Hours
Senior Managing Director	
Russell Belinsky	733.4
Managing Director	
Randall Lambert	773.3
Director	
Sanjay Jindal	293.0
Vice President	
Peter Corbell	1,286.9
Senior Associate	
Ernie Sibal	1,029.1
Associate	
David MacGreevey	1,463.0
Senior Analyst	
Anna Kostova	1,541.5
Analyst	
Edgar Mosley	2,183.7
Mark Schelbert	298.0
David Park	23.2
Tim Daggett	10.8
Total Hours	9,635.9

<u>TOTAL MONTHLY FEES INVOICED (at a rate of \$200,000/month)</u>	\$4,379,493.09
<u>TOTAL DEFERRED FEE INVOICED</u>	\$2,696,714.23
<u>TOTAL FEES INVOICED</u>	\$7,076,207.32
<u>TOTAL FEES RECEIVED</u>	\$6,205,251.57
<u>BALANCE OF FEES DUE</u>	\$ 870,955.75
<u>TOTAL EXPENSES INVOICED</u>	\$ 357,973.89
<u>TOTAL EXPENSES RECEIVED</u>	\$ 342,940.65
<u>BALANCE OF EXPENSES DUE</u>	\$ 15,033.24
<u>TOTAL OF FEES AND EXPENSES STILL TO BE PAID:</u>	\$ 885,988.99

Russell Belinsky
CHANIN CAPITAL PARTNERS
11150 Santa Monica Blvd., 6th Floor
Los Angeles, California 90025
(310) 445-4010
Financial Advisor for the Official Committee
Of Unsecured Creditors

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re :
 :
GLOBAL CROSSING LTD., *et al.*, : Chapter 11
 : Case No. 02-40187 (REG)
Debtors. :
 :
 :
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**FOURTH AND FINAL APPLICATION OF CHANIN CAPITAL PARTNERS, FINANCIAL
ADVISOR FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND FOR
REIMBURSEMENT OF EXPENSES
FROM FEBRUARY 12, 2002 THROUGH DECEMBER 9, 2003**

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

Chanin Capital Partners (“CCP”), Financial Advisor for the Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases of Global Crossing Ltd. and certain of its subsidiaries, as debtors and debtors-in-possession, (the “Debtors” or “Company”), submits this final application (the “Application”), pursuant to sections 330(a) and 331 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for the allowance of compensation for professional services rendered from the commencement of Chanin’s representation on February 12, 2002 through December 9,

2003 (the "Compensation Period")¹, and for reimbursement of expenses incurred in connection with such services, and, in support thereof, respectfully represents:

Summary of Application

1. Chanin seeks (i) final allowance of advisory fees and expenses for the period of February 12, 2002 through December 9, 2003 in the aggregate amount of \$4,737,466.98, (ii) final allowance of the Deferred Fee of \$2,696,714.23 and (iii) payment from the Debtors in the amount of \$885,988.99, which represents the total outstanding amount due for fees. Said request includes allowance of advisory fees, deferred fees and expenses in the aggregate amount of \$4,412,044.19 for the Fourth Compensation Period of April 1, 2003 through December 9, 2003, all other compensation having been previously allowed by the Court pursuant to Chanin's First through Third Fee Applications. During the entire Compensation Period, Chanin professionals expended a total of 9,635.9 hours for which compensation is requested. Pursuant to the 20% holdback provision provided by the court, Chanin has received payments to-date of fees in the amount of \$6,205,251.57 in addition to reimbursement of expenses incurred in February 12, 2002 through December 9, 2003 in the aggregate amount of \$342,940.65.

2. Chanin does not maintain, in the normal course of providing financial advisory services to its clients, detailed written time records. However, in this case, Chanin maintained written records of the time expended by Chanin professionals in the rendition of their professional services to the Committee. Such time records were made contemporaneously with the rendition of services by the person rendering such services and in the ordinary course of Chanin's practice. A summary schedule and detailed description setting forth the number of hours expended by each of the professionals who rendered services to the Committee, is hereby

¹ Including specifically the Fourth Compensation Period from April 1, 2003 through December 9, 2003; all previous periods being covered by Chanin's First through Third Fee Applications.

attached as Exhibit "A." A summary schedule and also detailed descriptions of the expenses for which Chanin is seeking reimbursement and the total amount for each such expense category are attached hereto as Exhibit "B."

3. In preparing this Application Chanin 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 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" and, collectively with the Local Guidelines, and the UST Guidelines, the "Guidelines"). Chanin believes that all applicable time and disbursement charges for the Compensation Period have been included herein.

Jurisdiction and Venue

4. 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

5. On January 28, 2002, each of the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and

manage their properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code.

6. On February 7, 2002, the United States Trustee for the Southern District of New York (the "US Trustee") appointed the Committee. Thereafter, the Committee selected Chanin as its financial advisor. On May 6, 2002, the Court approved Chanin's retention as financial advisor to the Committee *nunc pro tunc* to February 12, 2002 (the "Retention Order" – Exhibit "C"), to render financial advisory services to the Committee in these chapter 11 cases. As set forth more fully in the Committee's application to employ Chanin at the outset of these cases, Chanin has extensive experience in representing statutory committees in chapter 11 cases, as part of its prominent financial restructurings and bankruptcy expertise. Pursuant to Chanin's Retention Order, Chanin was to be compensated for its services in accordance with the terms and conditions contained in the Engagement Letter, annexed hereto as Exhibit "D", as modified. Pursuant to the Engagement Letter, Chanin's monthly advisory fee is \$200,000 in cash per month (the "Monthly Advisory Fee"). In addition to the Monthly Advisory Fee, the Debtors shall pay Chanin a deferred fee (the "Deferred Fee") pursuant to a Restructuring Transaction. The Deferred Fee is equal to 1.0% of Total Consideration (as defined in the Engagement Letter) received by the Debtors' creditors, excluding consideration received by the Senior Secured Revolving Credit Facility, the Senior Secured Revolving Term Loan A, the Senior Secured Term Loan B, and Capital Leases. The Deferred Fee shall be payable in cash on the effective date of a Restructuring Transaction and shall be reduced by an amount equal to 100% of the Monthly Advisory Fees paid to Chanin. Additionally, the Debtors shall reimburse Chanin for all reasonable out-of-pocket expenses incurred in connection with its engagement by the Committee, including but not limited to all reasonable travel expenses, computer and research

charges, attorney fees (provided that such attorney fees shall not exceed \$50,000 without the Committee's prior consent), messenger services and long-distance telephone calls.

7. This is Chanin's fourth and final application for allowance of compensation for services rendered and for reimbursement of expenses. Chanin has previously provided monthly fee statements and interim applications to the notice parties in accordance with the provisions of the Administrative Order, and has received payments of 80% of monthly fees for April 1, 2003 through December 9, 2003 in the aggregate amount of \$1,326,451.62 and 80% of deferred fees for February 12, 2002 through December 9, 2003 in the aggregate amount of \$2,157,371.38, in addition to 100% reimbursement of expenses incurred in April 1, 2003 through October 31, 2003 in the aggregate amount of \$57,265.44.

8. On December 26, 2002, this Court entered an Order Pursuant to Section 1129(a) of the Bankruptcy Code and Rule 3020 of the Federal Rules of Bankruptcy Procedure Confirming Debtors' Joint Plan of Reorganization (the "Plan").

9. On December 9, 2003 the Plan became effective and the Debtors emerged from bankruptcy.

10. Following the terms of the Engagement Letter, under the Plan, holders of the Debtor's unsecured and convertible notes will recover \$707,620,732. The 1.0% Deferral Fee for Chanin is therefore calculable as \$7,076,207.32, less \$4,379,493.09 (100% of Monthly Advisory Fees), for a total of \$2,696,714.23. This Deferred Fee was approved by both the Debtors and the co-chairs of the Committee. A detailed calculation of fees and expenses is attached hereto as Exhibit "E."

Advisory Activity

11. The Engagement Letter outlines the specific services to be provided by

Chanin. Such services include:

- A. Analyzing the Company's operations, business strategy, and competition in each of its relevant markets as well as an analysis of the industry dynamics affecting the Company;
- B. Analyzing of the Company's financial condition, business plans, capital spending budgets, operating forecasts, management, and the prospects for its future performance;
- C. Financial valuing of the ongoing operations and/or assets of the Company;
- D. Assisting the Committee in developing, evaluating, structuring, negotiating, and implementing terms and conditions of the Restructuring Transaction;
- E. Providing expert testimony as directed by counsel to the Committee; and
- F. Providing the Committee with other and further financial advisory services with respect to the Company and a Restructuring Transaction as may be requested by the Committee and agreed to by Chanin.

12. The nine (9) professionals of Chanin who have primarily rendered professional services on behalf of the Committee include: Russell Belinsky, Randall Lambert, Sanjay Jindal, Peter Corbell, Ernie Sibal, David MacGreevey, Anna Kostova, Edgar Mosley and Mark Schelbert.

- A. Russell Belinsky is a Senior Managing Director of Chanin. Prior to co-founding Chanin, Mr. Belinsky was associated with Skadden, Arps, Meager & Flom, specializing in corporate finance, mergers and acquisitions, and restructuring transactions.
- B. Randall Lambert is a Managing Director of Chanin. Prior to joining Chanin,

Mr. Lambert was a Managing Director of BDS Securities and Vice President of Brian M. Freeman Enterprises.

- C. Sanjay Jindal is a Director within Chanin Capital Partners' Telecommunications and Technology group. Prior to joining Chanin, Mr. Jindal managed the Communications Services Group at Houlihan Lokey Howard & Zukin.
- D. Peter Corbell is a Vice President of Chanin. Prior to joining Chanin, Mr. Corbell was a vice president of business development and planning for the e-commerce business unit of Stamps.com and an Associate in the investment banking department of Credit Suisse First Boston.
- E. Ernie Sibal is a Senior Associate of Chanin. Prior to joining Chanin Capital Partners, Mr. Sibal worked in the Los Angeles office of BNP Paribas in the Media and Telecommunications Finance Group.
- F. David MacGreevey is an Associate of Chanin. Prior to joining Chanin, Mr. MacGreevey was an Associate with Zolfo Cooper.
- G. Mark Schelbert is an Analyst of Chanin. Prior to joining Chanin Capital Partners, Mr. Schelbert founded eBility, Inc., an online portal for people with disabilities, where he served as the Chairman and Executive Vice President of Web Development and Information Architecture.
- H. Anna Kostova is a Senior Analyst of Chanin. Prior to joining Chanin, Ms. Kostova was employed as a financial analyst at the Chase Securities, Inc.
- I. Edgar Mosley is an Analyst of Chanin. Prior to joining Chanin, Mr. Mosley worked for Coast Business Credit as a marketing associate.

Services Rendered by Chanin During the Compensation Period

13. The following summary of services rendered during the Compensation Period is not intended to be a detailed description of the work performed, as those day-to-day services and the time expended in performing such services are fully set forth in time records provided. Rather, it is merely an attempt to highlight certain of those areas in which services were rendered to the Committee, as well as to identify some of the problems and issues that Chanin was required to address.

(i) Due Diligence

14. Chanin undertook extensive due diligence in order to understand and assess the operational and financial position of the Debtors. This process included an in-depth review and analysis of significant amounts of historical and projected financial information provided by the Debtors and their advisors, SEC filings, as well as bankruptcy court filings. Chanin presented its findings to the Committee.

15. Projects included analyses of the Debtors' various sets of projections, cash balance, liquidity position, and liquidation value of off-balance sheet transactions. The due diligence process was ongoing and was conducted via numerous teleconferences, data review services and meetings with the Debtors and Debtors' representatives. Chanin met with Debtors and Debtors' advisors for several due diligence sessions at Company headquarters in Madison, NJ, as well as due diligence sessions with Global Marine, GCUK and network operations executives in London, England.

(ii) Financial Analysis

16. During the Compensation Period, Chanin reviewed and analyzed the Debtors' financial projections, as well as Debtors' revised projections and business plan, and worked with

the Debtors to understand the basis for such projections. Chanin also reviewed and analyzed the Debtors' weekly cash flow projections and statements of liquidity. In conjunction with its review of the cash disbursement process, Chanin monitored and reviewed the status of Debtors' negotiations with its critical vendors. These analyses were essential to monitor the performance of the Debtors, and its liquidity situation.

17. Additionally, Chanin reviewed and analyzed the changing cash flow forecasts provided by the Debtors vis-à-vis the Debtors' original projections and historical performance. Chanin discussed with the Debtors the factors that led to variance, if any. In addition, Chanin prepared a number of extensive analyses in connection with the potential disposal of several non-core business units that are currently operated by the Debtors. Chanin presented its findings to the Committee.

18. Chanin evaluated the Debtors' annual employee bonus, KERP and other executive contracts and discussed the issues with the Debtors' and the Committee. Chanin prepared analyses of this compensation and compared the payments and other benefits provided to bonuses, KERPs and executive compensation at comparable companies within the context of a Chapter 11 filing.

19. In addition, during the Compensation Period, Chanin monitored the financial performance of the Debtors in relation to the financial covenants stipulated in the Singapore Technologies Telemedia Pte Ltd. ("STT") Agreement (the "STT Transaction"). Chanin responded to inquiries from Committee members and other unsecured creditors regarding the STT Transaction, and monitored other related developments in the case, including events associated with Asia Global Crossing and PC-1.

(iii) Comparable Company and Industry Analysis

20. Chanin reviewed several SEC filings, brokerage reports, industry reports and news stories related to several companies, which Chanin deemed comparable to the non-core, core and consolidated assets of the Debtor. Based on the review of these documents, Chanin prepared non-core, core and consolidated comparable company analyses and industry analyses. These analyses included a comparison of comparable company historical and projected revenue growth, access costs, EBITDA, capital expenditures, operating expenditures, profit margins, public security values, public security trading multiples, management compensation, major strategic decisions, capital structure, working capital accounts and others. These analyses were critical in understanding the recent developments, trends, and trading and valuation dynamics of the Debtors' industry sector. These analyses were continually updated throughout the engagement and were used to update the Committee on various developments and trends in the telecommunications industry.

(iv) Mergers and Acquisition Transactions Analysis

21. Chanin performed an extensive analysis of precedent Mergers and Acquisitions Transactions involving companies that are comparable or relevant to the Debtors' non-core, core and consolidated assets. This analysis was necessary to assess the number of transactions which occurred in the telecommunications industry during the period leading up to the Debtors' transaction agreement, the valuation multiples achieved in these transactions and the control premiums paid in transactions involving similar companies.

(v) Valuation Analysis

22. Chanin developed preliminary ranges of enterprise values for the reorganized Debtors based on preliminary valuation analysis using various methodologies including a discounted cash flow ("DCF") valuation. Additionally, the analyses were based on the Debtors'

projections and in-depth comparable company and precedent transactions analyses. Chanin prepared several valuation analyses, encompassing a broad range of potential scenarios, including sensitivity analyses of non-core, core and consolidated asset sales, financial projections, Chapter 11 emergence dates, trading multiples, control premiums, volatility and discount rates. Chanin also prepared accompanying debt capacity analyses and analyzed potential capital structures of a new Global Crossing. Chanin also prepared a liquidation analysis to serve as a best interest test for the Creditors' Committee.

(vi) Review of Sale Process

23. On behalf of the Committee, Chanin reviewed and analyzed over ten bid proposals and supporting documentation related to the Debtors' efforts to sell parts or all of the Company as a part of their reorganization efforts. Additionally, Chanin and the Debtors' management continually contacted potential financial and strategic investors regarding the funding of a potential stand-alone plan. In conjunction with a potential stand-alone plan, Chanin conducted various feasibility studies using the Debtors' financial projections and liquidity analyses. Chanin carefully analyzed and evaluated all proposals, including the Hutchison Telecommunications Limited ("Hutch")/STT proposal and the STT proposal, and evaluated all bid proposals vis-à-vis the feasibility of a stand-alone reorganization plan. Chanin continually reported its findings to the Committee and prepared updates on the sales to the Committee.

(vii) Sale of Non-Core Assets

24. Additionally, Chanin reviewed and analyzed documentation related to the Debtors' efforts to sell various non-core assets and business segments of the Company including GCUK, Conferencing and Global Marine. Chanin prepared extensive reviews and valuation analyses of those non-core business segments. Chanin evaluated all proposals and prepared an

in-depth review of the bids on the non-core and core assets, during the Compensation Period. Chanin also analyzed the strategic and financial qualifications of other parties that expressed interest in Global Crossing. In addition, Chanin met with several potential investors interested in funding the Company. Chanin presented its analyses and status updates to the Committee.

(vii) Hutch-Sing Transaction Negotiations

25. During the Compensation Period, Chanin undertook an extensive financial due diligence valuation process in order to understand and assess the benefits of the Hutch-STT proposal to buy the Debtors' assets ("H/S Transaction"). This process included a review and an in-depth analysis of significant amounts of supporting documentation in relation to the H/S Transaction. Chanin presented its valuation findings to the Committee. Additionally, Chanin participated in on-going negotiations with the Debtors' senior lenders (the "Bank Group") in order to facilitate the division of values between the Bank Group and the constituents of the Unsecured Creditors Committee. Chanin also participated in numerous intra-committee negotiations regarding the split of values between the three major constituents of the Committee.

(viii) STT Transaction Analysis and Negotiations

26. On or about April 30, 2003, Hutchison Telecommunications Limited withdrew from the Purchase Agreement, and Singapore Technologies Telemedia Pte Ltd stepped into its place thereby making it the sole purchaser of 61.5% of the equity of the newly reorganized company. Chanin undertook an extensive financial due diligence valuation process in order to understand and assess the benefits of the STT-only proposal to buy the Debtors' assets. This process included a review and an in-depth analysis of significant amounts of supporting documentation in relation to the Transaction. Chanin presented its valuation findings to the Committee. Additionally, Chanin participated in on-going negotiations with the Debtors'

senior lenders (the “Bank Group”) in order to facilitate the division of values between the Bank Group and the constituents of the Unsecured Creditors Committee. Chanin also participated in numerous intra-committee negotiations regarding the split of values between the three major constituents of the Committee.

(ix) Post-STT Transaction Monitoring

27. In addition, during the Compensation Period, Chanin monitored the financial performance of the Debtors in relation to the financial covenants stipulated in the STT Agreement. Chanin responded to inquiries from Committee members and other unsecured creditors regarding the Transaction, and monitored other related developments in the case, including events associated with Asia Global Crossing and PC-1.

28. During the STT Transaction monitoring period, Chanin met regularly with Committee counsel, Committee regulatory counsel, Global Crossing management and advisors, STT management and Committee members. These meetings assisted the Committee in understanding the status of the regulatory process, the progress of the Debtors’ audits, changes in Debtor’s finance executives, the listing requirements and potential trading behavior of the New GX stock, the business plan assumptions of STT, continuing inter-creditor negotiations, DIP and/or Exit Financing needs and related negotiations, commercial arrangements and revisions to financial projections.

29. Chanin continually monitored developments within the telecommunications industry and used its analyses to update the Committee on strategic decisions, commercial arrangements, public security pricing and financial performance of comparable companies.

30. Chanin monitored the pricing of Global Crossing securities and consulted with Committee members and other unsecured creditors on options for disposition of related post-reorganization securities.

(x) XO Communications Bid Analysis

31. On or about May 30, 2003, XO Communications' ("XO") submitted a competing bid to acquire the Debtors' assets. Chanin conducted an analysis of this initial XO proposal to understand the financial implications of this proposal and to appropriately quantify its value. Chanin compared this XO proposal to that of STT and presented its findings to the Committee. Subsequent to the initial XO proposal, XO submitted a revised bid for the Debtors' assets on or about June 23, 2003. Chanin had several telephone conversations with representatives from XO and participated in a meeting with representatives from XO to understand the details of this revised proposal and to determine the associated risks and benefits of such a transaction with XO. Chanin conducted an in-depth evaluation of this revised proposal before determining that it was inferior to that of STT. Chanin presented these findings to the Committee.

(xi) Creditors' Committee Meetings

32. Chanin participated in numerous meetings and conference calls with the Committee during the Compensation Period. Prior to these calls with the Committee, Chanin prepared detailed presentations, analyses and supporting schedules for the Committee during the Compensation Period discussing the status of ongoing financial matters of the Debtors.

33. Through these in-person meetings and conference calls, Chanin has assisted the Committee in fulfilling its statutory duties to make informed decisions regarding the various issues which have arisen in these cases; to monitor closely the Debtors' management of these

proceedings; and to reach independent conclusions on the merits of specific matters, as well as regarding the prospects of reorganization. Committee meetings were the most effective and efficient way of ensuring that all members of the Committee are kept informed of the events occurring in the Debtors' cases.

(xii) Board Member and Estate Representative Research

34. On behalf of the Committee, Chanin contacted multiple candidates for the New GX's Board of Directors and the Estate Representatives that were to be appointed by the Committee.

35. In addition, Chanin helped screen and provide advice regarding the interviewing and selection of the candidates. Chanin collected comparable data to recommend an appropriate fee structure for the Estate Representatives.

(xiii) Debtors' Motion for Authority to Amend Purchase Agreement, For Authority to Grant Releases, and for Extension of Exclusivity

36. With the Committee's support, the Debtors' filed a Motion for Authority to Amend Purchase Agreement, For Authority to Grant Releases, and for Extension of Exclusivity (the "Motion"). The Motion was opposed by the Bank Group, XO and IDT. After extensive preparation, Chanin gave testimony in support of the Motion at a hearing in late June, and on July 1, 2003, the Court granted the Motion.

37. Chanin's Senior Managing Director, Russell Belinsky, testified regarding several issues, including (i) the expressions of interest of XO and IDT and the consideration given to them, (ii) the insufficiency of the XO bid and the analysis which led to that conclusion, (iii) the recovery splits under the STT plan, (iv) the impact of regulatory delays on the

consummation of the Plan and (v) the potential impact of the “fiduciary out” provisions of the Purchase Agreement.

(xiv) Equity Trading Analyses

38. During the Compensation Period, Chanin analyzed the various factors affecting the value and liquidity of the Debtors’ post-emergence common equity. Chanin analyzed the behavior of the equity in other companies similar to the Debtors that recently emerged from Chapter 11 in order to provide the Committee with an estimate of the factors that may impact the value and liquidity of their equity in the Debtors after emergence from Chapter 11. This included the analysis of comparable companies’ business plans, financial projections, Plans of Reorganization, public security debt and equity trading patterns, trading patterns of when-issued, pink sheet, over-the-counter, NASDAQ and NYSE securities and in-depth industry analyses. Chanin also researched historical telecommunications control premiums, minority discounts, liquidity discounts and price volatility.

(xv) Litigation Support

39. During the Compensation Period, Chanin assisted Brown Rudnick Berlack Israels and Greenburg Traurig (collectively, “Counsel”) with financial analyses in support of their legal efforts. Chanin’s support included valuing the various assets of the Debtor to facilitate intra-committee negotiations, assisting Counsel in preparing for depositions and live testimony of Debtors’, Banks’ and Creditors’ Committee financial advisors and preparing various analyses relating to the potential security of the Debtors’ assets. In addition, Chanin regularly reviewed the electronic Court docket and discussed relevant filings with appropriate members and/or employees of Counsel.

(xvi) Other Tasks

40. During the Compensation Period, Chanin researched and monitored the regulatory approval process for the STT bid. Chanin also had ongoing discussions with the Debtors' regulatory advisors throughout the course of these Chapter 11 cases.

41. Chanin evaluated the possibility of DIP financing for the Debtors and had numerous meetings and discussions with the Debtors and the related advisors to better understand the factors affecting a potential DIP facility. Chanin researched DIP facilities in other Chapter 11 cases and analyzed the liquidity situation of the Debtors to determine the necessity and the range of acceptable structures for a DIP facility. After conducting an in-depth analysis on the DIP facility, Chanin presented its findings to the Committee.

42. During the Compensation Period, Chanin analyzed several commercial agreements that were contemplated by the Debtors. Chanin conducted detailed due diligence on the terms of these respective agreements, holding meetings and conference calls with the Debtors to gain a thorough understanding of the implications these agreements would have on the Debtors' operations. In addition, Chanin analyzed the risks and benefits of the contemplated agreements and researched alternatives that may be pursued by the Debtors. Chanin presented its findings related to these agreements to the Committee.

43. In addition to the assignments and tasks set forth above, at the request of the Committee, Chanin (i) participated in various conference calls and meetings with Committee members and other constituents, (ii) reviewed and analyzed certain other financial information (as requested by the Committee), and (iii) provided other financial analysis in assistance to the Committee counsel. All of Chanin's activities were conducted with the goal of producing efficient and effective services to the Committee and the Debtors' estate.

(xvii) Fee Application Preparation

44. During the Compensation Period, Chanin compiled time and expense descriptions of the services it provided, and performed other tasks in order to comply with the Administrative Order. Chanin made every effort to minimize the amount of time and fees incurred for these activities.

Disbursements

45. Chanin has disbursed \$357,973.89 as expenses incurred and recorded in providing professional services during the Compensation Period. These expenses do not exceed the maximum rate set by the Guidelines. These charges are intended to cover Chanin's direct costs, which costs are not incorporated into the Chanin monthly 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.

46. In these proceedings, Chanin charges \$0.10 per page for internal duplicating (as directed by the Fee Committee) and \$1.00 per page for outgoing facsimile transmissions. Chanin does not charge for incoming facsimile transmissions nor for facsimile transmissions for local telephone numbers. The amount of the standard photocopying charge is intended to allow Chanin to cover the related expenses of its photocopying service.

47. Due to the nature of the Debtor's businesses, the location of their various offices and facilities, as well as the location of the members of the Committee and their professionals, 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.

48. The time constraints imposed by the circumstances of these cases have required Chanin's professionals at times to devote time during the evenings and on weekends to the performance of financial services on behalf of the Committee. While not frequent, these extraordinary services were essential in order to meet deadlines, react timely to the rapidly changing financial condition of the Debtors, and satisfy the demands of the Committee in providing high-quality financial services. Chanin has not charged for any overtime expense. Nonetheless, consistent with the provisions of the Guidelines, Chanin has sought reimbursement for the expenses related to working meals and transportation, consistent with the provisions of the Guidelines.

49. Chanin 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

50. Chanin has been retained under section 328(a) of the Bankruptcy Code, which states:

“The trustee or a committee appointed under section 1102 of this title with the court's approval, may employ or authorize the employment of a professional person under section 327 or 1103 of this title, as the case may be, on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, or on a contingency fee basis. Notwithstanding such terms and conditions, the court may allow compensation different from the compensation provided under such terms and conditions after the conclusion of such employment, if such terms and conditions prove to have been improvident in light of developments not capable of being anticipated at the time of the fixing of such terms and conditions.”

11 U.S.C § 328(a).

Statements of Chanin

51. No agreement or understanding prohibited by section 504 of the Bankruptcy Code exists between Chanin 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 Chanin share or agree to share the compensation paid or allowed from the Debtors' estate 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 Chanin.

52. Pursuant to Bankruptcy Rule 2016, Chanin states that no payments have heretofore been made or promised to Chanin for services rendered or to be rendered in any capacity in connection with these chapter 11 cases.

Waiver of Memorandum of Law

53. 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, Chanin respectfully requests that the Court waive the requirement that Chanin file a memorandum of law in support of this Application.

Notice

54. Copies of this Application have been provided to the notice parties listed in paragraph (a) of the Administrative Order. Pursuant to paragraph (a) of the Administrative Order, a notice of the hearing, when set by the Court, to consider this and other professionals' applications for interim compensation will be served on the notice parties. Chanin submits that this is good and sufficient notice and no other or further notice is necessary.


WHEREFORE, Chanin respectfully requests: (i) final allowance of compensation for professional services rendered as financial advisors for the Committee and reimbursement of

actual and necessary disbursements incurred and recorded by Chanin in the total amount of \$4,737,466.98 for the period of February 12, 2002 through December 9, 2003; (ii) final allowance of the Deferred Fee in the amount of \$2,696,714.23; (iii) authority for the Debtors to pay to Chanin outstanding compensation and reimbursement of expenses in the amount of \$885,988.99; and (iv) such other and further relief as is just.

Dated: Los Angeles, California
February 6, 2004

CHANIN CAPITAL PARTNERS

By:



Russell A. Belinsky
Senior Managing Director
11150 Santa Monica Blvd., 6th Floor
Los Angeles, California 90025
(310) 445-4010

Financial Advisor for the Official Committee
of Unsecured Creditors

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re :
GLOBAL CROSSING LTD., *et al.*, : Chapter 11
 : Case No. 02-40187 (REG)
Debtors. :
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-----X

**CERTIFICATION PURSUANT TO GUIDELINES FOR FEES AND DISBURSEMENTS
FOR PROFESSIONALS IN RESPECT OF FOURTH AND FINAL APPLICATION OF
CHANIN CAPITAL PARTNERS
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**

I, Russell A. Belinsky, hereby certify that:

1. I am a Senior Managing Director at Chanin Capital Partners and the professional designated by the applicant, Chanin Capital Partners (“CCP”) with responsibility for the statutory committee of unsecured creditors (the “Committee”) appointed in the chapter 11 cases of Global Crossing Ltd. and its subsidiaries, as debtors and debtors-in-possession (the “Debtors”) in respect of compliance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the “Local Guidelines”) and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the “UST Guidelines”).

2. This certification is made in respect of Chanin's fourth and final application, dated February 6, 2004 (the "Application") including the exhibits annexed thereto, for final compensation and reimbursement of expenses for the period commencing February 12, 2002 and ending December 9, 2003 (the "Compensation Period") in accordance with the Local Guidelines.

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

(a) I have read the Application;

(b) to the best of my knowledge, information, and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Local Guidelines;

(c) the fees and disbursements sought are charged in accordance with practices customarily employed by Chanin and generally accepted by Chanin's clients; and

(d) in providing a reimbursable service, Chanin does not make a profit on that service, whether the service is performed by Chanin in-house or through a third party.

4. In respect of section B.2 of the Local Guidelines, I certify that:


(a) The Chairman of the Committee, the United States Trustee for the Southern District of New York (the "US Trustee"), the Debtors, counsel for the Debtors, and counsel for the Debtors' pre-petition and post-petition lenders have each been provided on a monthly basis with a statement of Chanin's fees and disbursements accrued during the previous month in accordance with 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"); and

(b) the statement contained lists of professionals providing services, the aggregate hours spent by each professional, a general description of the services rendered, a reasonably detailed breakdown of the disbursements incurred, and an explanation of billing practices.

5. In respect of section B.3 of the Local Guidelines, I certify that the Chairman of the Creditors' Committee, the US Trustee, the Debtors, counsel for the Debtors, and counsel for the pre-petition and post-petition lenders are each being provided with a copy of the Application in accordance with the Administrative Order.

6. By this certification, Chanin does not waive or release any rights or entitlements it has under the order of this Court, dated May 6, 2002, approving Chanin's retention as financial advisor to the Committee *nunc pro tunc* to February 12, 2002, pursuant to Chanin's normal billing and customary reimbursement and disbursement practices.

Dated: Los Angeles, California
February 6, 2004



Russell A. Belinsky