

**Hearing Date & Time:**  
**January 7, 2003 at 9:45 a.m.**

GREENBERG TRAURIG, LLP  
Attorneys for the Subcommittee of the Official  
Committee of Unsecured Creditors  
200 Park Avenue  
New York, New York 10166  
Richard S. Miller (RM-2428)  
Thomas J. Weber (TW-3887)  
Robert T. Honeywell (RH-7684)  
(212) 801-9200

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re : Chapter 11 Case Nos.  
: 02-40187 (REG) through  
: 02-40241  
GLOBAL CROSSING LTD., et al., :  
: (Jointly Administered)  
Debtors. : under Case No. 02-40188 (REG)  
:  
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**Name of Applicant:**  
Greenberg Traurig, LLP

**Role in the Case:**  
Counsel to the Subcommittee of the  
Official Committee of Unsecured  
Creditors

**Current Application**  
Fees Requested: \$ 435,798.50  
Expenses Requested: \$ 3,627.74

Fees Previously Requested: N/A  
Fees Previously Awarded: N/A

Expenses Previously Requested: N/A  
Expenses Previously Awarded: N/A

**INITIAL APPLICATION OF GREENBERG TRAURIG, LLP FOR AN  
ORDER APPROVING COMPENSATION (WITH ACCOMPANYING  
CERTIFICATION) AS COUNSEL TO THE SUBCOMMITTEE DURING  
THE PERIOD MARCH 14, 2002 THROUGH OCTOBER 31, 2002**

Name of Professionals/ Paraprofessionals	Year Admitted to Practice	Hours Billed	Current	Total for Application
<b>SHAREHOLDERS</b>				
Alan I. Annex, Shareholder	1988	32.20	\$495.00	\$15,939.00
Howard J. Berman, Shareholder	1978	9.30	\$485.00	\$4,510.50
Richard S. Miller, Shareholder	1978	12.30	\$640.00	\$7,872.00
David Neier, Shareholder	1986	95.70	\$470.00	\$44,979.00
Thomas J. Weber, Shareholder	1979	312.80	\$525.00	\$164,220.00

<b>Name of Professionals/ Paraprofessionals</b>	<b>Year Admitted to Practice</b>	<b>Hours Billed</b>	<b>Current</b>	<b>Total for Application</b>
<b>OF COUNSEL</b>				
Robert T. Honeywell, Of Counsel	1987	326.20	\$460.00	\$150,052.00
<b>ASSOCIATES</b>				
Todd E. Duffy, Associate	2000	40.10	\$280.00	\$11,228.00
Scott D. Greenspan, Associate	1996	47.50	\$340.00	\$16,150.00
Maria J. Pantina, Associate	1998	1.30	\$295.00	\$383.50
John H. Thompson, Associate	2002	8.20	\$240.00	\$1,968.00
<b>LAW CLERKS</b>				
David M. Dunn, Law Clerk	N/A	2.00	\$225.00	\$450.00
Elizabeth Lefebvre-Gross, Law Clerk	N/A	48.00	\$185.00	\$8,880.00
<b>PARALEGALS</b>				
Cynthia C. Berry, Paralegal	N/A	0.50	\$150.00	\$75.00
Angela H. Chua, Paralegal	N/A	26.10	\$135.00	\$3,523.50
Elizabeth K. Loh, Paralegal	N/A	34.80	\$160.00	\$5,568.00
<b>Total Blended Hourly Rate: \$ 339.00</b>		<b>997.00</b>		<b>\$435,798.50</b>

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**INITIAL APPLICATION OF GREENBERG TRAUIG, LLP  
FOR AN ORDER APPROVING COMPENSATION (WITH  
ACCOMPANYING CERTIFICATION) AS COUNSEL TO THE SUBCOMMITTEE  
DURING THE PERIOD MARCH 14, 2002 THROUGH OCTOBER 31, 2002**

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

Greenberg Traurig, LLP (“Greenberg” or “Applicant”), counsel for the Subcommittee (the “Subcommittee”) of the Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases for the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), submits its Initial Application for an Order Approving Interim Compensation as counsel to the Subcommittee during the period March 14, 2002 through October 31, 2002 (the “Application Period”) in the amount of \$435,798.50 in fees and \$3,627.74

in reimbursable out-of-pocket expenses (the “Greenberg Fee Application”) and in support thereof, respectfully represents as follows:

**Summary of Application**

1. Greenberg seeks allowance of interim compensation for professional services rendered to the Subcommittee during the Application Period in the aggregate amount of \$435,798.50, and for reimbursement of out-of-pocket expenses incurred in the aggregate amount of \$3,627.74. During the Application Period, Greenberg attorneys and paraprofessionals expended a total of 997 hours for which compensation is requested.

2. In preparing this Application, Greenberg 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 by the Court on April 19, 1995 (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”). A certification regarding compliance with the Guidelines is annexed hereto.

3. Greenberg believes that all applicable time and disbursement charges for the Application Period have been included herein. However, to the extent that time or disbursement charges for services rendered or disbursements incurred relate to the Application Period, but were not processed prior to the preparation of this Application, Greenberg reserves the right to

request additional compensation for such services and reimbursement of such expenses in a future application.

### **Jurisdiction**

4. This Court has jurisdiction over the Greenberg Fee Application pursuant to 28 U.S.C. §§ 157 and 1334 and the “Standing Order of Referral of Cases to Bankruptcy Judges” of the United States District Court for the Southern District of New York, dated July 10, 1984 (Ward, Acting C.J.). Venue in this district is proper pursuant to 28 U.S.C. sections 1408 and 1409. The statutory predicates for the relief sought herein are sections 330, 331, and 503(b) of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), as complemented by Rule 2016 of the Bankruptcy Rules.

### **Background**

5. On January 28, 2002, the Debtors filed their respective voluntary petitions for relief under chapter 11 of the Bankruptcy Code.<sup>1</sup> The Debtors continue to manage and operate their business as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases are being jointly administered.

6. On February 8, 2002, the United States Trustee for the Southern District of New York (the “U.S. Trustee”) appointed the Official Committee of Unsecured Creditors.

7. On February 25, 2002, after meeting with representatives of the Debtors, the Committee, and certain Committee members that are creditors of Global Crossing North America (“GCNA”), the United States Trustee appointed a three member Subcommittee, consisting of creditors with claims exclusively against the GCNA estate, for the purpose of investigating the issues arising from or related to the sale by the Debtors on or about June 29, 2001, of the incumbent local exchange carrier to Citizens Communications Company for gross

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<sup>1</sup> Additional Debtors including GT U.K. Ltd. filed their petitions subsequent to January 28, 2002.

proceeds of \$3.369 billion (the “ILEC Transaction”). See Appointment of the Subcommittee of the Official Committee of Unsecured Creditors dated February 25, 2002, Docket No. 283.

8. The members of the Subcommittee initially consisted of Nationwide Insurance, United States Trust Company of New York (“U.S. Trust”) and Knights of Columbus. The Subcommittee selected U.S. Trust, represented by Corwin Chen, Senior Vice President, as its Chairperson. The composition of the Subcommittee has changed several times through resignations and new appointments. Currently, the Subcommittee consists of two members of the Committee, Wilmington Trust Company, as Indenture Trustee, and Wells Fargo, as Indenture Trustee.

#### **The Greenberg Retention Order**

9. Pursuant to an order of this Court dated June 17, 2002 (the “Greenberg Retention Order”), the Subcommittee engaged Greenberg as counsel in these chapter 11 cases to perform necessary legal services *nunc pro tunc* to March 14, 2002. (A true copy of Greenberg Retention Order is annexed hereto as Exhibit “A”).

10. The legal services that have been and are to be performed by Greenberg during these chapter 11 cases encompass legal services, advice, and professional attention in connection with the investigation of possible causes of action arising from the Citizens ILEC sale. In addition, the members to the Subcommittee, as members of the Committee, participated in the negotiations of the inter-creditor allocations among the different creditor constituencies represented by the Committee, and the preparation and prosecution of the proposed plan and disclosure statement (“Disclosure Statement”).

11. The Greenberg Retention Order directs Greenberg to comply with procedures for compensation and reimbursement of fees in accordance with sections 330 and 331 of the Bankruptcy Code and such procedures fixed from time to time by order of this Court. In

accordance with the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, dated January 28, 2002 (the ‘Fee Procedures Order’), this Court directed that professionals retained in these proceedings serve monthly statements for compensation and expense reimbursement, on or before the twentieth day of each month following the month for which compensation is sought.

12. Pursuant to the Fee Procedures Order, Greenberg served upon the Debtors, counsel to the Committee, and the U.S. Trustee, Greenberg’s statements of fees and expenses for the periods June 1, 2002 through June 30, 2002; July 1, 2001 through July 31, 2002; August 1, 2002 through August 31, 2002; September 1, 2002 through September 31, 2002; and October 1, 2002 through October 31, 2002, respectively. Pursuant to the Fee Procedures Order, the statements sought payment for 80% of the fees and full reimbursement for allowable expenses incurred by Greenberg during the applicable period (the “Greenberg Fee Statements”). As of the date of this application, the Debtors have made no payments to Greenberg with respect to the Greenberg Fee Statements.

### **The Greenberg Fee Application**

13. This is Greenberg’s first Fee Application. On or about June 28, 2002, other professionals retained in this case filed their initial fee applications. As stated above, this Court entered the Greenberg Retention Order on June 17, 2002. Shortly thereafter, Greenberg consulted with the office of the United States Trustee to determine if Greenberg should file an initial fee application only ten days after this Court entered the Greenberg Retention Order. Pursuant to those conversations, Greenberg, with the consent of the Office of the United States Trustee, determined that it would be acceptable to file its initial application at this time. Accordingly, Greenberg had not served statements of fees and expenses for the periods March 14, 2002 through March 31, 2002; April 1, 2002 through April 30, 2002; and May 1, 2002

through May 31, 2002. Invoices for these months are attached as part of Exhibit “B” and together with the Greenberg Fee Statements are referred to herein as the “Invoices.”

14. Greenberg now submits this Fee Application pursuant to sections 330 and 331 of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, the Greenberg Retention Order, the Fee Procedures Order, and the Court’s local rules and administrative orders.

15. The Greenberg Fee Application seeks approval of compensation to be paid to Greenberg by the Debtors in accordance with the Greenberg Retention Order and the Fee Procedures Order. Specifically, Greenberg seeks approval with respect to the Debtors’ obligation to pay the sum of \$435,798.50 in fees and \$3,627.74 in reimbursable out-of-pocket expenses with respect to its services during the Application Period. A summary cover sheet complying with the United States Trustee’s Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C § 330 precedes this application.

#### **The Value of Fees Billed**

16. Greenberg’s legal services to the Subcommittee during the Application Period required the expenditure of time by ten attorneys and five legal assistants and other paraprofessionals in connection with matters relating to these chapter 11 proceedings. The hours devoted to representation of the Subcommittee are reflected in the detailed monthly Invoices rendered to the Debtors for the Application Period. These monthly Invoices contain the detailed time records of Greenberg’s professionals maintained in accordance with the Guidelines of the Office of the United States Trustee, and are summarized in the cover page to this application. Greenberg has maintained copies of such Invoices in the normal course. (Copies of the Invoices are annexed hereto collectively as Exhibit “B.”)



17. Pursuant to the requirements of General Orders M-104 and M-151 of the Bankruptcy Court for the Southern District of New York, Greenberg certifies that true copies of the Greenberg Fee Statements were furnished to (i) the Debtors; (ii) counsel to the Debtors; (iii) counsel to the Debtors' prepetition lenders; (iv) counsel to the ad hoc committee of the Debtors' noteholders; (v) counsel to any statutory committees appointed in these cases; and (vi) the Office of the United States Trustee for the Southern District of New York, within twenty (20) days after the end of each month. The Invoices for the periods from March 14, 2002 through May 31, 2002 have been served with the Greenberg Fee Application.

18. The fee value of Greenberg's services during the Application Period, based upon its time records regularly compiled during the Application Period, is \$435,798.50. The summary cover sheet to this application shows the substantive hours worked by each professional and paraprofessional who has been assigned to the Subcommittee's account.

**Description of the Professional Services Rendered**

19. During the Application Period, Greenberg's attorneys and paraprofessionals assisted the Subcommittee in a wide range of substantive legal matters, including:

- a. Detailed review and analysis of various documents in connection with investigation of the ILEC transaction, including loan documents, SEC filings, bond indentures, notes, prospectuses and the like;
- b. Analysis of the ramifications of ILEC transaction to various of the Debtors' constituents;
- c. Legal research regarding fraudulent conveyance causes of action as applied to the ILEC transaction;
- d. Preparation of a supplemental affidavit in connection with Greenberg's representation;

- e. Preparation for and conduct meetings of the Subcommittee;
- f. Preparation for and attendance at meetings of the Official Committee of Unsecured Creditors;
- g. Review and analysis of asset disposition and research regarding the same in furtherance of the Subcommittee investigation;
- h. Review and analysis of documents associated with Citizen's adversary proceeding and associated settlement documents;
- i. Communications with the Committee professionals regarding data collection and document requests;
- j. Preparation monthly fee statement;
- k. Review and analysis of asset disposition and research regarding the same in furtherance of the Subcommittee investigation;
- l. Review of correspondence with Deloitte & Touche, LLP ("Deloitte") regarding document requests;
- m. Review of the Committee presentation of proposed restructuring;
- n. Communications with Committee counsel regarding extension of a deadline to bring an action against various banks;
- o. Attendance at hearings regarding examiner appointment and motions for chapter 11 trustee;
- p. Communications with various Subcommittee members regarding inter-creditor splits;
- q. Preparation of objection to examiner order;

- r. Analysis of various GCNA balance sheets and correspondence with Deloitte regarding same;
- s. Analysis of revised Deloitte valuation models;
- t. Analysis of Recal/Citibank loan documents;
- u. Analysis of Chanin valuation models and correspondence with the Subcommittee regarding same;
- v. Analysis of standing issues regarding bondholder claims and fraudulent transfer suits;
- w. Analysis of filed Plan of Reorganization and prepare comments to same;
- x. Comments to final Plan and Disclosure Statement; and
- y. Appearance at Disclosure Statement hearing.

20. Greenberg's time records reflect that the standard rates charged by Greenberg to its other clientele in similar matters were the rates applied to the services rendered to the Subcommittee. The rates are shown on the cover sheet preceding this Greenberg Fee Application. All legal services for which approval of compensation is sought herein were performed for and on behalf of the Subcommittee. No agreement or understanding exists between Greenberg and any other person for the sharing of compensation to be received for professional services rendered in or in connection with these proceedings.

21. Greenberg also requests reimbursement, pursuant to the Greenberg Retention Order, for out-of-pocket expenses incurred during the Application Period. Disbursements incurred during the Application Period are in the aggregate amount of \$3,627.74. A schedule listing such charges by category is annexed hereto as Exhibit "C." The majority of such

expenses are for long distance facsimile charges, photocopy charges, postage, and long-distance telephone charges.

22. The out-of-pocket expenses for which reimbursement is sought by Greenberg are reasonable and were necessary and incidental to the services performed for the Subcommittee. Every effort has been made to keep expenses to a minimum.

### **Factors to Consider in Evaluating Applicant's Services**

23. The central factors for consideration by a court in making a discretionary award for reasonable attorneys' fees were listed in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 717-19 (5th Cir. 1974) (the "Johnson Factors"), and are summarized as follows: (1) the time and labor required; (2) the novelty and difficulty of the questions presented; (3) the skill required to perform legal services; (4) the preclusion of other employment by the attorneys due to acceptance of the case; (5) the customary fee; (6) whether the fee is fixed or contingent; (7) time limitations imposed by the client or circumstances; (8) the amounts involved and the results obtained; (9) the experience, reputation and ability of the attorneys; (10) the "undesirability" of the case; (11) the nature and length of the professional relationship with the client; and (12) awards in similar cases.

24. The Johnson Factors were subsequently made applicable to bankruptcy cases in *In re First Colonial Corp.*, 544 F.2d 1291, 1298-99 (5th Cir.), cert. denied, 431 U.S. 904 (1977), and the Fifth Circuit's analysis has been adopted by four (4) other courts of appeals. *Boston & Maine Corp. v. Sheehan, Phinney, Bass & Green*, 778 F.2d 890, 896 (1st Cir. 1985); *Harman v. Levin*, 772 F.2d 1151, 1152-53 (4th Cir. 1985); *Mann v. McCombes*, 751 F.2d 286, 287-88 (8th Cir. 1984); *Yermakov v. Fitzsimmons*, 718 F.2d 1465, 1471 (9th Cir. 1983). Bankruptcy courts in the Second Circuit also have applied the Johnson Factors in considering awards under sections 330 and 331 of the Bankruptcy Code. Based upon the services described in this

Greenberg Fee Application and the detailed time records annexed hereto, Greenberg respectfully represents it has satisfied the standards prescribed by the Johnson Factors.

**Request for Dispensation of Requirements to File Memorandum of Law**

25. Because the Greenberg Fee Application does not present any novel issue of law and the authorities relied upon are set forth herein, Greenberg requests that the Court waive and dispense with the requirement set forth in Local Bankruptcy Rule 9013-1(b) that a separate memorandum of law be filed in support of this application. Greenberg reserves the right, however, to submit a reply memorandum of law in the event objections to the Greenberg Fee Application are filed.

**Notice**

26. Pursuant to the Fee Procedures Order notice provisions, Greenberg served copies of this Greenberg Fee Application upon (i) the Debtors; (ii) counsel to the Debtors; (iii) counsel to the Debtors' prepetition lenders; (iv) counsel to the ad hoc committee of the Debtors' noteholders; (v) counsel to any statutory committees appointed in these cases; and (vi) the Office of the United States Trustee for the Southern District of New York. A copy of the Greenberg Fee Application has also been provided to Chambers.

**No Prior Request for Relief Sought**

27. No other previous request for approval has been made with respect to the fees and expenses covered by this Greenberg Fee Application.

WHEREFORE, Greenberg requests that this Court enter an order (i) authorizing the Debtors to pay to Greenberg \$435,798.50 in fees and \$3,627.74 in expenses incurred during the Application Period and (ii) granting such other and further relief as the Court may deem just and proper in the circumstances.

Dated: New York, New York  
November 25, 2002

GREENBERG TRAURIG, LLP

By: /s/ Thomas J. Weber  
Richard S. Miller (RM-2428)  
Thomas J. Weber (TW-3887)  
Robert T. Honeywell (RH-7684)  
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Official Committee of Unsecured Creditors  
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