

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re :
 : Chapter 11 Case Nos.
 :
 : 02-11982 (REG);
 : 02-13765 (REG);
GLOBAL CROSSING LTD., et al., : 02-14268 (REG) through
 : 02-14290 (REG);
 : 02-40187 (REG) through
 : 02-40241 (REG)
 :
Debtors. : (Jointly Administered)
 :
-----X

FINAL APPLICATION FOR COMPENSATION AND FOR
REIMBURSEMENT OF EXPENSES OF HURON CONSULTING GROUP LLC AS
FINANCIAL ADVISORS TO GLOBAL CROSSING LTD., et al.

Name of Applicant: Huron Consulting Group LLC

Authorized to Provide Professional Services to: Global Crossing Ltd., et al.

Date of Retention: May 13, 2002

Period for which compensation and reimbursement is sought:	<u>Subject Period</u> 4/1/03 – 12/9/03	<u>Pendency of the Case</u> 5/13/02 – 12/9/03
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Amount of Compensation sought as actual, reasonable and necessary:	\$883,682	\$4,557,244
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Amount of Expense Reimbursement sought as actual, reasonable and necessary:	\$21,376	\$333,845
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This is an: ___ interim ___X___ final application.

Huron is requesting \$26,739 of compensation (76.6 hours) for the preparation of billings and fee applications within the Subject Period. Although this compensation represents approximately 3% of total fees requested for this Subject Period, total compensation requested for preparation of billings and fee applications during the pendency of the case represents approximately 1% of total fees.

This is the Applicant's Third and Final Application for Professional Fees.

On January 28, 2002, an Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals was entered. Pursuant to this Order, Applicant has billed and received the following amounts during the Subject Period:

	<u>Compensation</u>	<u>Billings at 80% (1)</u>	<u>Reimb. of Expenses</u>	<u>Total Interim Billing</u>	<u>Amount Received</u>	<u>Amount Due (2)</u>
Twelfth Interim Statement of Fees and Expenses (April, 2003)	\$139,163	\$111,330	\$5,888	\$117,218	\$117,218	\$27,833
Thirteenth Interim Statement of Fees and Expenses (May, 2003)	107,868	86,294	1,019	87,313	87,313	21,574
Fourteenth Interim Statement of Fees and Expenses (June, 2003)	83,865	67,092	4,963	72,055	72,055	16,773
Fifteenth Interim Statement of Fees and Expenses (July, 2003)	88,188	70,550	289	70,839	70,839	17,638
Sixteenth Interim Statement of Fees and Expenses (August, 2003)	84,025	67,220	3,897	71,117	71,117	16,805
Seventeenth Interim Statement of Fees and Expenses (September, 2003)	106,053	84,842	792	85,634	85,634	21,211
Eighteenth Interim Statement of Fees and Expenses (October, 2003)	156,160	124,928	4,157	129,085	129,085	31,232
Nineteenth Interim Statement of Fees and Expenses (November, 2003)	95,055	76,044	282	76,326	76,326	19,011
Twentieth Interim Statement of Fees and Expenses (December, 2003)	23,305	18,644	88	18,732	18,033	5,360
TOTAL	<u>\$883,682</u>	<u>\$706,946</u>	<u>\$21,375</u>	<u>\$728,321</u>	<u>\$727,622</u>	<u>\$177,435</u>

- (1) Pursuant to the Order Pursuant to Section 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 Debtors are to promptly pay 80% of the fees and 100% of the expenses identified in each monthly statement of fees and expenses. Total holdbacks over the Subject Period amounted to \$176,737.
- (2) Amount due is equal to the sum of Compensation and Reimbursement of Expenses, less Amount Received.

**HURON CONSULTING GROUP LLC
IN RE: GLOBAL CROSSING LTD., ET AL.
SUMMARY OF FINANCIAL ADVISORS'
RATES AND TOTAL CHARGES FOR THE PERIOD
BEGINNING APRIL 1, 2003 AND ENDING DECEMBER 9, 2003**

<u>Professional</u>	<u>Level</u>	<u>Hourly Billing Rate</u>	<u>Total Billed Hours</u>	<u>Total Compensation</u>
James M. Lukenda *	Managing Director	\$600	68.6	\$41,160
James M. Lukenda *	Managing Director	550	17.3	9,511
Stephen Burns	Director	350	413.3	144,655
Christopher C. Alberta *	Manager	350	61.4	21,490
Christopher C. Alberta *	Manager	310	6.3	1,953
Joseph P. Neilson	Manager	310	1.0	310
Ellayne Famatid	Associate	250	1,073.5	268,375
Irina Logovinsky	Associate	250	8.1	2,025
Lee Sweigart	Associate	250	107.0	26,750
Salvatore Messina	Associate	250	3.1	775
Brandi Long	Associate	225	3.0	675
Angela Tsai *	Analyst	175	176.6	30,905
Angela Tsai *	Analyst	150	73.4	11,010
Dana E. Lee	Analyst	175	1.4	245
Mark Javitch	Analyst	175	304.5	53,288
Sabrina D. Hartzog *	Analyst	175	640.2	112,035
Sabrina D. Hartzog *	Analyst	150	82.0	12,300
Adam Borod	Analyst	150	2.0	300
Christin Sogge	Analyst	150	4.2	630
Donald Magilligan	Analyst	150	18.2	2,730
Eric Schroeder	Analyst	150	836.3	125,445
Noreen Hamid	Analyst	150	16.8	2,520
Pamela Chang	Analyst	150	97.3	14,595
TOTAL		\$220	4,015.5	\$883,682

* Huron implemented billing rate adjustments for certain professionals during the Subject Period. As a result, the fees for these professionals have been calculated based on the professionals' billing rates at the time fees were incurred.

**UNITED STATES BANKRUPTCY COURT
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**FINAL APPLICATION FOR COMPENSATION AND FOR
REIMBURSEMENT OF EXPENSES OF HURON CONSULTING GROUP LLC AS
FINANCIAL ADVISORS TO GLOBAL CROSSING LTD., et al.**

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

Huron Consulting Group LLC ("Huron"), the duly appointed financial advisors for Global Crossing Ltd., et al. (collectively the "Debtors"), as debtors and debtors-in-possession in the above titled and numbered chapter 11 bankruptcy cases, files this Final Application for Compensation and Reimbursement of Expenses and in support thereof would respectfully show the following:

I.

Huron makes this Final Application for Allowance of Compensation for professional services, in the amount of \$883,682 which was rendered by Huron from April 1, 2003 through December 9, 2003, "the Subject Period", as well as for reimbursement of actual and necessary costs in the amount of \$21,376 incurred by Huron during the Subject Period.

Huron seeks allowance of compensation for professional services performed by Huron during the Subject Period, during which time Huron expended a total of 4,015.5 hours of professional time in the performance of services rendered on behalf of the Debtors. An accounting of the time expended, the nature of the services rendered, the respective employees of Huron providing the services and the hourly rate charged by each employee is set forth in Exhibits 2 and 3 and incorporated herein for all purposes.

In addition, Huron seeks a final allowance for all fees and expenses awarded by the Court during the pendency of these cases in the amounts of \$4,557,244 and \$333,845, respectively, inclusive of the fees and expenses requested for the Subject Period, and a final billing for time subsequent to December 9, 2003 in an amount not to exceed \$12,000.

II.

On January 28, 2002 (the "Petition Date"), the Debtors filed their voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors have been operating their businesses and managing their properties and assets as debtors and debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

On July 15, 2002 this Court entered an order (the "Order") allowing the Debtors to retain Huron in response to the Debtors' motion for an order, pursuant to sections 327 and 328 of the Bankruptcy Code and Rules 2014 and 2016 of The Federal Rules of Bankruptcy Procedure, authorizing the retention of Huron Consulting Group LLC as financial advisors to the Debtors (the "Motion"). A copy the Motion and the Order are attached hereto as Exhibit 1.

III.

All services for which compensation is requested were performed for and on behalf of the Debtors and their estate and not on behalf of any other entity or party in interest.

IV.

GENERAL DESCRIPTION OF SERVICES PERFORMED

As financial advisors to the Debtors, Huron has performed extensive restructuring consulting and accounting services in the areas of business analysis and financial reporting which have been beneficial to the Debtors, the Court, Creditors and other interested parties. Such services required the specific skills of Huron in the area of restructuring and accounting matters and the general skills of Huron in chapter 11 cases. Included in Exhibit 2 is a summary of the hours and fees incurred by employee and by project during the Subject Period. A description of certain services rendered during the Subject Period include the following:

1. assisted the Debtors in analyzing claims filed against Debtors' estates;
2. assisted the Debtors in analyzing executory contracts;
3. assisted in satisfying creditors' information needs, including coordinating responses to creditors' information requests and assisting in timely dissemination of such information;
4. assisted in the preparation of various forms, reports, schedules, and statements required by the Court (i.e. monthly operating reports) and other regulatory agencies;
5. assisted in development and preparation of cash flow forecasts of operations;
6. assisted the Debtors with regard to treatment and classification of pre- and post-petition payables and with vendor credit issues;
7. prepared various financial analyses at the request of the Committee;
8. participated in meetings and discussions with Debtors' management and counsel; and
9. general case administration.

During the Subject Period, over half of the time and effort of Huron professionals was devoted to assisting the Debtors with the complex and detailed effort of addressing claims filed against the Debtors' estates and executory contracts. There are over 10,000 proofs of claim filed in these cases representing over \$235 billion. The Debtors' executory contracts numbered in excess of 200,000. Huron's effort was critical to the timely addressing of the claims and enabled the Debtors and the Official Committee of Unsecured Creditors to obtain a clear insight into the actual number and amount of allowed claims upon which to build the confirmed plan of reorganization. Huron worked long hours with both the official claims agent, in-house and external legal counsel, and Debtor personnel to organize, sort, identify, and address each of the over 10,000 proofs of claim

filed. While this effort continued beyond the Subject Period, the majority of the time for this effort is reflected in this application.

It is worth note that some of the tasks performed by the Huron professionals in this area consisted of repetitive analysis that required long stretches of time to perform. Accordingly, the nature of the descriptions in the detailed time diaries for these individuals may appear to be very basic when read alone. However, in the context of the work being performed, we believe they convey the nature of the work.

In connection with rendering professional services during the Subject Period, Huron has expended the time of its professionals as shown in Exhibit 2. Huron values these services rendered to the Debtors included in this Application at \$883,682. Such amount represents Huron's usual and customary charges for services of a similar nature performed for other clients of the firm. The rates for professionals utilized by Huron in these cases are included in Exhibit 2. Based upon this rate schedule and the hours incurred, these charges compute to an average hourly rate of approximately \$220. The average rate is reflective of the experience level required for the work performed.

V.

During the Subject Period, and as more specifically set forth in Exhibit 4, Huron recorded unreimbursed expenses incurred in connection with its representation of the Debtors and the Committee totaling \$21,376. Each expenditure was a necessary and reasonable cost incident to the performance of Huron's services for the Debtors. An itemized accounting of the nature and cost of the expenses incurred by Huron is also set forth in Exhibit 4.

Given the nature of the services provided by Huron, the majority of Huron's work has been performed on site at the Debtors' Madison and Florham Park, New Jersey and Rochester, New York locations. As such, expenditures for airfare, lodging, rental cars, and taxis have been incurred by certain professionals and these expenses are both reasonable and necessary. It is Huron's policy for all professionals to travel coach class and, as such, all airfares represent coach rates. No first class airfare has been included for reimbursement in this Application. Huron does not charge for travel time outside of normal business hours unless that time is productively engaged in

providing client service. The amounts charged by Huron for all expenses represent the actual costs incurred. Huron does not mark up the cost of these services and, as such, the reimbursement sought represents the amounts billed to Huron by third party vendors for these services. It is Huron's policy not to include components for these types of expenses in overhead when establishing billing rates. It is Huron's policy to charge its clients for these and all other out-of-pocket disbursements during the regular course of rendering services.

VI.

Section 330(a) of the Bankruptcy Code provides that a bankruptcy court may award to a professional person employed under Sections 327 or 1103:

"reasonable compensation for actual, necessary services rendered by such ... attorney based on the nature, the extent, and the value of such services, time spent on such services, and the cost of comparable services other than in a case under this title."

Although the United States Supreme Court has not ruled on the proper method for determining reasonable fees under § 330(a) of the Bankruptcy Code, it has established guidelines generally applicable to awards of attorneys' fees under other federal statutes, which require that the fee awarded be reasonable. See Pennsylvania v. Delaware Valley Citizens' Council for Clean Air, 478 U.S. 546 (1986) (construing standards for award of fees under § 304(d) of the Clean Air Act ("Delaware Valley I"); Pennsylvania v. Delaware Valley Citizens' Council for Clean Air, 483 U.S. 711 (1987) ("Delaware Valley II"). In Delaware Valley I, the Supreme Court concluded that the "lodestar" approach to determining fees for services performed, as articulated in Lindy Bros. Builders, Inc. of Phila. et al. v. American Radiator & Standard Sanitary Corp., 487 F.2d 161 (3rd Cir. 1973), remand 540 F.2d 102 (3rd Cir. 1976), was preferable to other, more subjective methods: "[T]he 'lodestar' figure includes most, if not all, of the relevant factors comprising a reasonable attorney's fees." 478 U.S. at 565.

Under the lodestar calculation, a reasonable hourly rate is set by the court based on a number of factors, including the difficulty of the task, the prevailing market rate for counsel of the petitioner's experience, counsel's normal billing rate, and the rates awarded by other courts in similar circumstances. In City of Detroit v. Grinnel Corp., 560 F. 2d. 1093, 1098 (2nd Cir. 1977), the United States Court of Appeals for the Second Circuit calculated attorneys' fees by "multiplying the number of hours expended by each attorney involved in each type of work on the case by the hourly rate normally charged for similar work by attorneys of like skill in the area." 560 F.2d at 1098. Once the base or "loadstar" rate is established, "other less objective factors such as the risk of litigation, the complexity of the issues, and the skill of the attorneys, could be introduced to determine a final fee amount." Id.

The American Bankruptcy Institute similarly favors the lodestar approach as "giving the courts a simple mathematical formula to apply as the starting point for the analysis, with the reasonableness inquiry narrowed principally to the hourly rate and time spent factors." American Bankruptcy Institute National Report on Professional Compensation in Bankruptcy Cases (G.R. Warner rep. 1991) p.144 (hereinafter cited as "American Bankruptcy Institute Survey").

The first step to be taken in a lodestar analysis is to determine the nature and extent of services rendered. As is set forth more fully in the foregoing paragraphs and in Exhibits 2 and 3 hereto, Huron professionals and paraprofessionals have expended a total of 4,651.0 hours in rendering accounting and financial advisory services to and on behalf of the Debtors. Huron respectfully submits that the hours worked by Huron personnel were reasonable and necessary, given the circumstances of these cases.

The next step to be taken is to establish a reasonable hourly rate. Section 330(a) of the Bankruptcy Code provides for the award of reasonable compensation for actual and necessary services performed by professionals employed pursuant to §§ 327 or 1103 of the Bankruptcy Code "based on the time, the nature, the extent, and the value of comparable services other than in a case under this title." See also Collier on Bankruptcy, ¶ 332095.42, p. 330-2-5 (15th ed. 1989). The Bankruptcy Code thus rejects the "principle of economy" which existed under the predecessor Bankruptcy Act of 1898 (as amended). In that vein, it has been said that "[n]otions of economy of the estate in fixing fees are outdated and have no place in a bankruptcy code." See 124 Cong. Rec. 11,089 (daily ed. Sept. 28, 1978) (Statement of Congressman Edwards on policies underlying

Section 330). Accord In re Bible Deliverance Evangelistic Church, 39 B.R. 768, 774 (Bankr. E.D. Pa. 1984); In re Penn-Dixie Industries, Inc., 18 B.R. 834, 838 (Bankr. S.D.N.Y. 1982).

Indeed, Congress has made clear that the fees paid in bankruptcy cases must be no less than those paid in other cases involving legal specialties with comparable complexities and responsibilities: "Bankruptcy specialists, ... if required to accept fees in all of their cases that are consistently lower than fees they could receive elsewhere, will not remain in the bankruptcy field." H.R. Rep. No. 595, 95th Cong. & Admin. News, p.5787. Consistent with the intent of Congress as expressed in the legislative history of the Bankruptcy Code, it is "necessary to compensate bankruptcy attorneys, whenever possible, at the highest rate of compensation available for their efforts." In re Bible Deliverance Evangelistic Church, *supra*, 39 B.R. at 773. See also In Re Penn-Dixie Industries, Inc., *supra*, 18 B.R. at 838 (a liberal standard of compensation is needed to "encourage successful administration of estates by attracting bankruptcy specialists of high quality"). In sum, Congress intended that allowance of professional fees in bankruptcy cases should be at market rates in the market in which they customarily practice. In re Jenson-Farley Pictures, Inc., 47 B.R. 557, 578-79 (Bankr. D. Utah 1985).

The rates being charged by Huron are commensurate with those typically charged by Huron and other firms in its practice locale (New York City), as well as those of other nationally recognized firms specializing in bankruptcy and restructuring matters. Accordingly, the lodestar amount of fees sought by Huron (its customary hourly billing rate multiplied by the reasonable and necessary amount of time spent) is both reasonable and appropriate in these cases, and represents the method by which Huron has calculated the aggregate amount of fees requested.

The lodestar calculation has largely supplanted the twelve factor test of Johnson v. Georgia Highway Express, Inc., 488 F.2d 714 (5th Cir. 1974), which had gained prominence under the Bankruptcy Act. See Pennsylvania v. Delaware Valley Citizens' Council for Clean Air, 478 U.S. at 546 ("the lodestar figure includes most, if not all, of the relevant factors comprising a 'reasonable' attorney's fee"); In re Cena's Fine Furniture, Inc., 109 B.R. 575, 581 (Bankr. E.D.N.Y. 1990) (the Supreme Court makes clear that the lodestar amount is presumed to subsume the twelve factors articulated by Johnson); In re Paster, 119 B.R. 468, 469 (E.D.Pa. 1990) (the lodestar method of fee calculation is the appropriate method of determining attorney's fees in all federal courts, including the bankruptcy courts). Recently, the Supreme Court, in another context, acknowledged that the

lodestar was the "centerpiece" for the computation of a reasonable hourly rate; however, the Court suggested that the twelve Johnson factors could be considered for adjustments to the lodestar calculation. Blanchard v. Beraeron, 489 U.S. 67, 74 (1989).

A number of courts still adhere to the Johnson test, or combine the two tests by using the lodestar calculation and adjusting the resulting figure by reference to the relevant Johnson factors. See, e.g., In re Nine Associates, Inc., 76 B.R. 943 (Bankr. S.D.N.Y. 1987); In re Cuisine Magazine, Inc., 61 B.R. 210 (Bankr. S.D.N.Y. 1986); In re Affinito & Son, Inc., 63 B.R. 495 (Bankr. W.D. Pa. 1986).

Accordingly, a brief description of certain of the Johnson factors follows:

A. Novelty and Difficulty of Questions. As this Court is well aware, and as set forth herein, these cases involves a number of novel and/or complex questions.

B. Preclusion of Other Employment. Adequate representation of the Debtors in these chapter 11 cases has required a substantial commitment of the resources of Huron, especially as a result of the complexity of the Debtors' organization, the amounts involved and the many issues resolved during these cases. Had Huron not accepted this engagement, the time spent by it on these cases could have been devoted to other employment.

C. Time Limitations or Other Circumstances. Many of the matters in these cases have required and at times continue to require attention on an expedited basis.

D. Amounts Involved and Results Obtained. From the outset of these cases, in order to ensure the highest possible dividend to unsecured creditors, a detailed analysis of complex pre-petition transactions was required. Huron, through its services and with the assistance of the management, has endeavored to ensure the preservation and maximization of assets. These cases have been confirmed with a recovery agreeable to the creditors. Now that consummation of the Plan has taken place, these cases can be viewed as an unqualified success by all parties involved.

E. Fee Awards in Similar Cases. The fees requested by Huron are reasonable and comparable to the fees sought and awarded in many similar cases.

The various professionals and firms involved in this case have needed and will need to continue to confer to coordinate their activities, exchange ideas, evaluate strategies, pool their skills, and review each others' efforts. During certain critical periods and on discrete issues, Huron

did utilize more than one consultant and is seeking compensation for those services. Courts have held that it is not appropriate to apply a per se rule reducing or disallowing compensation for conference time. See In Re Metro Transportation Co., 107 B.R. 50, 53 (E.D.Pa. 1989); In re National Paragon Corp., 87 B.R. 11, 13 (E.D. Pa. 1988). Upon showing of the necessity for such conferences, conference time has been compensated. See, e.g., In re Citrone Development Corp., 106 B.R. 359, 362 (Bankr. S.D.N.Y. 1989); In re Mayes, 101 B.R. 494, 497 (Bankr. W.D. Mich. 1988). While Huron has avoided unnecessary conferences, a certain amount of conference time was unavoidable. In addition these conferences enabled Huron to utilize the specific knowledge and talents of certain members of the Huron advisor team. Huron respectfully submits that it should be compensated for that time.

VII.

During the period Huron has rendered and provided services in this proceeding, all of the time and effort of Huron has been devoted to the affairs of the Debtors. The financial advisory services rendered have been beneficial to the Debtors, the Court, the Creditors and other interested parties.

VIII.

There is no agreement or understanding of the existence between Huron and any other party for the sharing of compensation, except that various members and professionals associated with Huron may share in such compensation.

WHEREFORE, PREMISES CONSIDERED, Huron requests that an allowance be approved to it for professional services rendered during the Subject Period in the amount of \$883,682, together with reimbursement of costs and out-of-pocket expenses in the amount of \$21,376, and requests final allowance for all fees and expenses during the pendency of these cases in the amounts of \$4,557,244 and \$333,845, respectively, inclusive of the fees and expenses requested for the Subject Period, and a final billing for time subsequent to December 9, 2003 in an amount not to exceed \$12,000.

Huron requests that the Court authorizes Huron to be paid out of the Debtors' estates as administrative expenses pursuant to Section 503 (b) (2) of the Bankruptcy Code (less amounts previously remitted on account of the services included herein) and that Huron have such other and further relief to which Huron may show itself to be justly entitled.

Respectfully submitted this fourth day of February, 2004.

HURON CONSULTING GROUP LLC

By: ____//s// James M. Lukenda _
James M. Lukenda on behalf of
Huron Consulting Group LLC
1301 Avenue of the Americas – 6th Floor
New York, NY 10005
(212) 785-1900

Financial Advisors to
Global Crossing Ltd., et al.
Debtors and Debtors-in-Possession

I certify that a) I have read the preceding application; b) to the best of my knowledge, information and belief, the fees and disbursements included herein fall within the Amended Guidelines and the UST Guidelines for Fees and Disbursements for Professionals in the Southern District of New York; (c) except to the extent that fees or disbursements are prohibited by the Amended Guidelines or UST Guidelines, the fees and disbursements sought are billed at rates and in accordance with practices customarily employed by Huron and accepted by the Debtors; and (d) in providing a reimbursable service, Huron does not make a profit on that service, whether the service is provided in-house or through a third party.

HURON CONSULTING GROUP LLC

By: //s// James M. Lukenda_
James M. Lukenda
Certifying Professional

February 4, 2004

GLOBAL CROSSING LTD., et al.
INDEX OF EXHIBITS

- Exhibit 1 A. Notice of Presentment of Order Under Section 327(a) of the Bankruptcy Code Authorizing the Nunc Pro Tunc Employment and Retention of Huron Consulting Group LLC by the Debtors and Debtors in Possession
- B. Affidavit of James M. Lukenda CIRA, Pursuant to 11 U.S.C. Sec. 327 and Bankruptcy Rule 2014(a)
- C. First Supplement to the Affidavit of James M. Lukenda CIRA, Pursuant to 11 U.S.C. Sec. 327 and Bankruptcy Rule 2014(a)
- D. Order Authorizing the Nunc Pro Tunc Employment and Retention of Huron Consulting Group LLC by the Debtors and Debtors in Possession
- Exhibit 2 A. Summary of Financial Advisors' Rates and Total Charges for the Period Beginning April 1, 2003 and Ending December 9, 2003
- B. Summary of Services by Activity Code
- C. Summary of Total Financial Advisors' Charges
- Exhibit 3 Daily Time Diaries by Activity
- Exhibit 4 Summary of Expenses

Exhibit 1A. Notice of Presentment of Order Under Section 327(a) of
the Bankruptcy Code Authorizing the Nunc Pro Tunc
Employment and Retention of Huron Consulting Group
LLC by the Debtors and Debtors in Possession

PRESENTMENT DATE: July 11, 2002 at 10:00 a.m.
OBJECTION DEADLINE: July 8, 2002 at 4:00 p.m.

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, NY 10153-0119
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Harvey R. Miller (HRM 6078)
Michael F. Walsh (MFW 8000)
Paul M. Basta (PMB 4434)

Attorneys for Debtors and
Debtors In Possession

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

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In re :
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 : **Chapter 11 Case Nos.**
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GLOBAL CROSSING LTD., et al., : **02-40187 (REG) through**
 : **02-40241 (REG),**
 : **02-11982 (REG)**
 :
 Debtors. : **(Jointly Administered)**
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**NOTICE OF PRESENTMENT OF ORDER
UNDER SECTION 327(a) OF THE BANKRUPTCY
CODE AUTHORIZING THE NUNC PRO TUNC
EMPLOYMENT AND RETENTION OF HURON CONSULTING
GROUP LLC BY THE DEBTORS AND DEBTORS IN POSSESSION**

PLEASE TAKE NOTICE that upon the annexed application (the "Application") of Global Crossing Ltd. and its debtor subsidiaries, as debtors in possession (collectively, the "Debtors"), dated June 27, 2002, the undersigned will present the annexed proposed order, pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the "Bankruptcy Code"), authorizing the nunc

pro tunc employment and retention of Huron Consulting Group LLC to provide financial and bankruptcy consulting services to the Debtors, to the Honorable Robert E. Gerber, United States Bankruptcy Judge, for signature on July 11, 2002, at 10:00 a.m. (the “Presentment Date”).

PLEASE TAKE FURTHER NOTICE that objections, if any, to the relief requested in the Motion shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and Local Rules of the Bankruptcy Court, shall set forth the name of the objectant, the nature and amount of claims or interests held or asserted by the objectant against the Debtors’ estates or property, the basis for the objection, and the specific grounds therefor, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-182 (which can be found at www.nysb.uscourts.gov) by registered users of the Bankruptcy Court’s case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with a hard copy delivered directly to Judge Gerber’s chambers) and served in accordance with General Order M-182, and shall further be served upon (i) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attention: Carolyn Schwartz, Esq.; (ii) Weil, Gotshal & Manges LLP, attorneys for the Debtors, 767 Fifth Avenue, New York, New York 10153, Attention: Paul M. Basta, Esq.; (iii) Huron Consulting Group LLC, c/o Arthur Andersen LLP, 1345 Avenue of the Americas, Building 1350, 14th Floor, New York, New York 10105, Attention: James M. Lukenda; (iv) Milbank, Tweed, Hadley & McCloy, 1 Chase Manhattan Plaza, New York, New York 10005, the attorneys for the Debtors’ senior secured lenders, Attention: Allan S. Brilliant, Esq.; (v) Brown Rudnick Berlack Israels LLP, 120 West 45th Street, New York, New York 10036, attorneys for the statutory

committee of unsecured creditors, Attention: Edward S. Weisfelner, Esq.; and (vi) those parties entitled to notice pursuant to this Court's order dated January 28, 2002 so as to be actually received no later than July 8, 2002, at 4:00 p.m. (Eastern Time). Unless objections are received by that time, there will not be a hearing, and the order may be signed.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed, a hearing will be held at the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, NY 10004 at a date and time to be established by the Court. The moving and objecting parties are required to attend the hearing, and failure to appear may result in relief being granted or denied upon default.

Dated: New York, New York
June 27, 2002

/s/ Michael F. Walsh
Harvey R. Miller (HRM 6078)
Michael F. Walsh (MFW 8000)
Paul M. Basta (PMB 4434)

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, NY 10153-0119
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors and
Debtors In Possession

PRESENTMENT DATE: July 11, 2002 at 10:00 a.m.
OBJECTION DEADLINE: July 8, 2002 at 4:00 p.m.

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, NY 10153-0119
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Harvey LLP R. Miller (HRM 6078)
Michael F. Walsh (MFW 8000)
Paul M. Basta (PMB 4434)

Attorneys for Debtors and
Debtors In Possession

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

-----X
In re :
: **Chapter 11 Case Nos.**
:
GLOBAL CROSSING LTD., et al., : **02-40187 (REG) through**
: **02-40241 (REG),**
: **02-11982 (REG)**
:
Debtors. : **(Jointly Administered)**
:
-----X

**APPLICATION PURSUANT TO SECTION 327(a) OF
THE BANKRUPTCY CODE FOR AN ORDER AUTHORIZING
THE NUNC PRO TUNC EMPLOYMENT AND RETENTION OF HURON CONSULTING
GROUP LLC BY THE DEBTORS AND DEBTORS IN POSSESSION**

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

Global Crossing Ltd. and its affiliated subsidiaries, as debtors in possession

(collectively, "Global Crossing" or the "Debtors"), respectfully represent:

Background

1. On January 28, 2002 (the “Commencement Date”), each of the Debtors, except GT U.K. Ltd. (“GTUK”), commenced a case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). GTUK commenced its chapter 11 case on April 24, 2002. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. Global Crossing has built the world’s most extensive owned and controlled fiber-optic network, spanning over 100,000 route miles and reaching five continents, 27 countries and more than 200 major cities (the “Network”). The markets in those cities represent approximately 85% of the world’s international telecommunications traffic. The Network took over four years, multiple acquisitions and partnerships, and billions of dollars of capital to reach its current state of near-completion.

3. Each Debtor that is incorporated in Bermuda (collectively the “Bermuda Group”) has commenced a coordinated proceeding in the Supreme Court of Bermuda. The Supreme Court of Bermuda has issued an order appointing certain principals of KPMG International as Joint Provisional Liquidators (the “JPLs”) of the Bermuda Group. The Supreme Court of Bermuda has directed the JPLs to oversee the continuation of Global Crossing under the control of its Board of Directors and under the supervision of the Supreme Court of Bermuda and this Court in effecting a plan of reorganization under the Bankruptcy Code.

Jurisdiction

4. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § § 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. § § 1408 and 1409.

Relief Requested

5. By this Application, the Debtors seek to employ and retain Huron Consulting Group LLC (“Huron”) pursuant to sections 327(a) and 328(a) of the Bankruptcy Code to provide financial and bankruptcy consulting services formerly provided by Arthur Andersen LLP (“Andersen”).

6. Huron is a newly formed professional services firm specializing in providing consulting services to, among other clients, troubled companies and creditors’ committees. The current members of Huron team working on the Global Crossing matter have previously performed work of the type contemplated by the Application on behalf of the Debtors in these chapter 11 cases while employed at Andersen.

7. The Debtors are familiar with the professional standing and reputation of Huron. The Debtors understand that Huron’s professionals have a wealth of experience in providing various services and enjoy an excellent reputation for services they have rendered in connection with complex bankruptcy matters throughout the United States.

8. Huron was engaged, effective as of May 13, 2002, subject to the approval of this Court. However, the Huron professionals assigned to this matter have rendered services for the Debtors since prior to the Commencement Date while they were employed by or associated with at Andersen. Since that time, these professionals have acquired a great deal of institutional knowledge

regarding the Debtors' practices, records, and operations. Such experience and knowledge will be valuable to the Debtors.

9. The services of Huron are necessary to enable the Debtors to maximize the value of their estates. Further, Huron is well qualified and able to represent the Debtors in a cost-effective, efficient, and timely manner.

Scope of Services

10. Huron will provide the financial and bankruptcy consulting services previously provided to the Debtors by Andersen, and such other work as Huron, the Debtors, and the Debtors' counsel find mutually agreeable. These services may include the following:

- a. assist in preparing financial disclosures required by the Court, including the monthly operating reports, the completion and/or updating of the schedules of assets and liabilities, and the statement of financial affairs;
- b. assist the Debtors and other financial professionals retained by the Debtors with the preparation and updating of its business plan;
- c. assist the Debtors by analyzing operations and identifying areas of potential cost savings and operating efficiencies;
- d. assist in the coordination of responses to creditor information requests and interface with creditors and their financial advisors;
- e. assist Debtors' legal counsel, to the extent necessary, with the analysis, development, and revision of the Debtors' plan or plans of reorganization;
- f. attend meetings and assist in discussions with the creditors' committee, the U.S. Trustee, and other interested parties;
- g. consult with the Debtors' management on other business matters relating to its chapter 11 reorganization efforts; and
- h. such other services as the Debtors or its counsel and Huron may mutually deem necessary.

11. Huron is not being retained by the Debtors as a general financial advisor to the Debtors. Furthermore, Huron is not being retained as the Debtors' auditor or tax advisor. At the

present time, Andersen continues as the Debtors' auditor and may continue to provide certain non-duplicative consulting services for the Debtors and their affiliates in foreign jurisdictions. Another firm or firms may be retained to provide tax advisory services at a later date.

12. Huron will undertake to work with the Debtors, Andersen, and any other professionals retained in these cases in making every reasonable effort to avoid duplication between the services provided by Huron and the services provided by any other financial advisors or accountants employed by the Debtors.

Huron's Disinterestedness

13. Huron has informed the Debtors that, (i) except as may be set forth in the Affidavit of James M. Lukenda (the "Lukenda Affidavit"), based on the results of search performed to date it has no connection with the Debtors, their creditors or other parties in interest in this case; (ii) it does not hold any interest adverse to the Debtors' estates; and (iii) it believes it is a "disinterested person" as defined within section 101(14) of the Bankruptcy Code.

14. Huron will conduct an ongoing review of its files to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new facts or circumstances are discovered, Huron will supplement its disclosure to the Court.

15. Other than with its own principals and employees, Huron has agreed not to share with any person or firm the compensation to be paid for professional services rendered in connection with these cases.

Terms of Retention

16. The Debtors understand that Huron intends to apply to the Court for allowances of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, corresponding local rules, orders of this Court and guidelines established by the United States Trustee. The customary hourly rates, subject to periodic adjustments, charged by Huron's personnel anticipated to be assigned to this case are as follows:

Directors/Managers	\$300 -	\$550
Associates	\$250 -	\$375
Analysts	\$125 -	\$250

17. In the normal course of business, Huron will revise its hourly rates and requests that the aforementioned rates be revised to the regular hourly rates which will be in effect at such time. Expenses will be charged at actual costs incurred (and will include charges for typing, copying, telephone, transportation, etc.). Huron will bill (a) if approved by the Debtors, out-of-pocket legal fees and expenses incurred by Huron related to and as a result of these cases (including but not limited to legal services, rendered in connection with the retention of Huron or the presentation and prosecution of any interim or final fee applications or requests for payment of administrative expenses) and (b) Huron's fees associated with administration of filings and reporting required by the bankruptcy court related to the Debtors' retention of Huron. Certain professionals of Huron have billing rates in excess of \$550 per hour. However, at this point Huron does not believe that these professionals will have any significant role in these cases.

Notice

18. No trustee or examiner has been appointed in the Debtors' chapter 11 cases. Notice of this Application has been provided to (i) the Office of the United States Trustee for the

Southern District of New York, (ii) the attorneys for the Debtors' senior secured lenders, (iii) the attorneys for the official committee of unsecured creditors, (iv) the JPLs and their attorneys, and (v) those parties entitled to notice pursuant to this Court's order dated January 28, 2002 establishing certain notice procedures in these chapter 11 cases. The Debtors submit that no other or further notice need be provided.

No Prior Request

19. No prior application for the relief requested herein has been made to this or any other Court.

WHEREFORE the Debtors respectfully request that the Court grant the Application in all respects and grant the Debtors such other and further relief as is just.

Dated: June 27, 2002
New York, New York

Respectfully submitted,

Global Crossing Ltd., et al.
Debtors and Debtors in Possession

By: /s/ Mitchell C. Sussis

Mitchell C. Sussis
Secretary

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

-----X
In re :
 : **Chapter 11 Case Nos.**
 :
GLOBAL CROSSING LTD., et al., : **02-40187 (REG) through**
 : **02-40241 (REG),**
 : **02-11982 (REG)**
 :
Debtors. : **(Jointly Administered)**
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**ORDER AUTHORIZING THE
NUNC PRO TUNC EMPLOYMENT
AND RETENTION OF HURON CONSULTING
GROUP LLC BY THE DEBTORS AND DEBTORS IN POSSESSION**

Upon the application dated June 27, 2002 (the "Application") of Global Crossing Ltd. and its debtor subsidiaries, as debtors in possession (collectively, the "Debtors"), for an order pursuant to sections 327(a) and 328(a) of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), authorizing them to retain and employ Huron Consulting Group LLC ("Huron") to provide financial and bankruptcy consulting services to the Debtors; and upon the Affidavit of James M. Lukenda in support of the Application, all as more fully set forth in the Application; 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 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 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 of the Application having been provided to the Office of the United States Trustee for the Southern District of New York, the attorneys for the official committee of unsecured creditors, the attorneys for the Debtors' prepetition lenders, the Joint Provisional Liquidators (the "JPLs") appointed by the Supreme Court of Bermuda in respect of certain of the Debtors herein and their attorneys, and those parties entitled to notice pursuant to this Court's order dated January 28, 2002 establishing notice procedures in these cases, and no other or further notice need be provided; and it appearing that Huron neither holds nor represents any interest adverse to the Debtors' estates; and it appearing that Huron is "disinterested," as that term is defined in section 101(14) of the Bankruptcy Code; and it appearing that the relief requested in the Application is in the best interest of the estates and their creditors; after due deliberation and sufficient cause appearing therefore, it is hereby

ORDERED that the Application is granted in its entirety; and it is further

ORDERED that in accordance with sections 327(a) and 328(a) of the Bankruptcy Code, the Debtors are authorized to employ and retain Huron nunc pro tunc to May 13, 2002, to provide financial and bankruptcy consulting services to the Debtors and it is further

ORDERED that Huron shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules as may then be applicable, from time to time, and such procedures as may be fixed by order of this Court.

ORDERED that the requirement pursuant to Local Rule 9013-1(b) that the Debtors file a memorandum of law in support of the Motion is hereby waived.

Dated: July ___, 2002
New York, New York

UNITED STATES BANKRUPTCY JUDGE

Exhibit 1B. Affidavit of James M. Lukenda Pursuant to 11 U.S.C. Sec,
327 and Bankruptcy Rule 2014(a)

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

-----X
In re :
 : **Chapter 11 Case Nos.**
 :
GLOBAL CROSSING LTD., et al., : **02-40187 (REG) through**
 : **02-40241 (REG),**
 : **02-11982 (REG)**
 :
Debtors. : **(Jointly Administered)**
 :
-----X

**AFFIDAVIT OF JAMES M. LUKENDA CIRA, PURSUANT
TO 11 U.S.C. SEC. 327 AND BANKRUPTCY RULE 2014(a)**

STATE OF NEW JERSEY :
 : SS:
COUNTY OF MORRIS :

James M. Lukenda, CIRA, of full age, being duly sworn according to law, upon his oath deposes and says:

I am a Director with Huron Consulting Group LLC¹ (“Huron”) whose New York office is currently located at 1350 Avenue of the Americas, New York, NY 10105. I submit this affidavit pursuant to 11 U.S.C. §§ 327 and Fed. R. Bank. P. 2014 and 2016 in support of the Application for an Order Pursuant to 11 U.S.C. §§ 327 Authorizing the Employment and Retention of Huron Consulting Group LLC as Bankruptcy and Financial Advisor to Global Crossing Ltd. and subsidiaries in these Chapter 11 bankruptcy case (respectively, “Debtors” and “Cases”). Except as otherwise indicated, I have personal knowledge of the matters set forth herein and if called as a witness, would testify competently thereto.²

¹ Effective May 13, 2002.

² Certain of the disclosures herein relate to matters within the knowledge of other professionals at Huron and are based on information provided by them.

QUALIFICATIONS OF PROFESSIONALS

Huron is a newly formed professional services firm specializing in providing consulting services to, among other clients, troubled companies and creditors' committees.

The Debtors have selected Huron as their bankruptcy and financial advisors because of the resources offered by Huron's Corporate Restructuring group as well as my knowledge of the Debtors' Chapter 11 cases. The current members of Huron's engagement team, including myself, have previously performed work on behalf of the Debtors in this matter while employed by the firm of Arthur Andersen LLP.

The terms of employment and compensation set forth below are consistent with employment and compensation arrangements I have entered into in the past and competitive with other financial advisors and restructuring consultants with similar clients for the performance of similar services.

To the best of my knowledge, Huron is a "disinterested party" within the meaning of 11 U.S.C §101(14) and has not had any prior business association with the Debtors, members of the Official Committee of Unsecured Creditors, any other creditors, equity security holders of the Debtors or any other parties-in-interest in these Cases, or their respective attorneys identified at the present except as follows:

- a) In connection with our retention in this matter, Huron has performed a search for business relationships on the following categories of parties in interest in these cases: (i) professionals retained by the company, (ii) strategic partners of the debtors, (iii) litigation parties, (iv) secured creditors, (v) major landlords, (vi) indentured trustees of bond offerings, (vii) underwriters and agents, (viii) significant stockholders and warrant holders, and (ix) to the extent not already included in the above, each of the parties on the Debtors' Schedule 1, List of the 50 Largest Unsecured Claims (Excluding Insiders) filed pursuant to Local Bankruptcy Rule 1007-2(a)(4). Huron has provided a number of the parties (or their affiliates) in the above categories various financial advisory services. These parties of interest include: 360networks inc., Allstate Insurance Company, AT&T, CIBC, Goldman Sachs, JP and

Morgan/Chase. Huron has not been retained to assist any of these entities with regard to these chapter 11 cases.

- b) PPM America Private Equity Fund, L.P. (the “Fund”) is an investor in Huron Consulting Group LLC’s parent company, HCG Holdings LLC, a Delaware Limited Liability Corporation (“HCGH”). Jackson National Life Insurance Company (“JNL”), a creditor of Global Crossing, is a limited partner of the Fund. As a limited partner of the Fund, JNL receives quarterly Fund financial statements and an annual report that values every investment but has no investment discretion or information rights with respect to the Fund’s investment HCGH.
- c) Huron has mutual clients with Weil, Gotshal & Manges, the Debtors bankruptcy counsel, Skadden, Arps, Slate, Meagher, & Flom LLP, tax counsel, Simpson Thatcher & Bartlett, general counsel, Milbank Tweed Hadley & McCloy LLP, counsel to the Debtors’ bank group, Brown Rudnick Berlack Israels, counsel the Official Committee of Unsecured Creditors, Hunton & Williams, Foley & Lardner, Debevoise & Plimpton, Maguire Woods, Dechert Price & Rhodes, Chadbourne & Park, Greenburg Traurig, Jones Day, Simpson Thatcher, Proskauer Rose, Reed Smith, Traub Bonacquist & Fox, and Baker & McKenzie. Huron has coordinated efforts with these firms on common client engagements and has been retained directly by some of these firms for professional services unrelated to these cases.
- d) The Debtor have numerous additional creditors, equity security holders and other parties with whom they maintain business relationships. Huron may have consulting or other professional relationships with such entities or persons or Huron may, from time to time, perform professional services for such entities or persons unrelated to the Debtor or their business affairs. Nevertheless, as a newly formed firm, Huron’s potential for a conflict of interest is extremely small.

As a newly formed company, Huron has no information as to the percentage of annual revenue that these clients represent. To the best of my knowledge, Huron has not been retained to assist any entity or person other than the Debtors on matters relating to, or in connection with these Cases. If Huron’s proposed retention by the Debtors is approved by this Court, Huron will not accept any engagement or perform any services for any entity or person other than the Debtors in these Cases. Huron will, however, continue to provide professional services to entities or persons that may be parties-in-interest in these Cases, provided that such

services do not relate to, or have any direct connection with these Cases. At the present time, I am not aware of any circumstances that would prevent Huron from providing assistance to the Debtors in a matter that would be adversarial to the parties-in-interest disclosed in the paragraphs above.

To the best of my knowledge, information and belief, Huron does not have or represent any interest materially adverse to the interest of the Debtors, or any class of creditors of the Debtors, by reason of any direct or indirect relationship to, connection with, or interest in the Debtors or any investment banker for any securities of the Debtors, or for any other reason except as noted in the paragraph above. Also, to the best of my knowledge, information and belief, Huron does not have anything but a professional relationship with the United States Trustee and any person employed in the offices of the United State Trustee.

In addition to general financial consulting services, Huron has been advised that the Debtors desire to retain them to continue to provide such professional services as Arthur Andersen LLP previously provided to the Debtors in the area of bankruptcy and financial analysis separate from Arthur Andersen LLP's role as Auditor and Tax Advisor³, and such other work as Huron, the Debtors and Debtors' counsel find mutually agreeable. These services may include the following:

- a. assist in preparing financial disclosures required by the Court, including the monthly operating reports, the completion and/or

³ At the present time Arthur Andersen LLP continues as the Debtors' auditor pursuant to the terms of the Arthur Andersen LLP audit engagement letter. Arthur Andersen LLP may also continue to provide certain non duplicative consulting services for the Debtors and their affiliates in foreign jurisdictions. However, effective May 13, 2002, Arthur Andersen completed the transition of the financial advisory work in these Cases to Huron. With the exception of the aforementioned audit services and non-duplicative foreign consulting services, Arthur Andersen will have no additional time after May 31, 2002 related to its financial advisory role. Another professional services firm or firms may be retained to provide tax advisory services.

- updating of the schedules of assets and liabilities, and the statement of financial affairs;
- b. assist the Debtors and other financial professionals retained by the Debtors with the preparation and updating of its business plan;
- c. assist the Debtors by analyzing operations and identifying areas of potential cost savings and operating efficiencies;
- d. assist in the coordination of responses to creditor information requests and interface with creditors and their financial advisors;
- e. assist Debtors' legal counsel, to the extent necessary, with the analysis, development, and revision of the Debtors' plan or plans of reorganization;
- f. attend meetings and assist in discussions with the creditors' committee, the U.S. Trustee, and other interested parties;
- g. consult with the Debtors' management on other business matters relating to its chapter 11 reorganization efforts; and
- h. such other services as the Debtors or its counsel and Huron may mutually deem necessary.

In performing these services for the Debtors, Huron will not be assuming the role of the Debtors' management; Huron's role will be advisory only. It is understood that any decision to implement Huron's recommendations or to act on Huron's advice will be solely in the Debtors' discretion.

Huron's requested compensation for professional services rendered to the Debtors shall be based upon the time expended in the rendition of such services and at billing rates commensurate with the experience of the person performing such services, and will be computed at the hourly billing rates customarily charged by Huron for such services.

- a) The representative range of rates for Huron professionals is as follows:-

Directors/Managers	\$300 - \$550
Associates	\$250 - \$375
Analysts	\$125 - \$250

- b) In the normal course of business, Huron will revise its hourly rates and requests that the aforementioned rates be revised to the regular hourly

rates which will be in effect at such time. Expenses will be charged at actual costs incurred (and will include charges for typing, copying, telephone, transportation, etc.) Huron will bill (a) if approved by the Debtors, out-of-pocket legal fees and expenses incurred by Huron related to and as a result of these cases (including but not limited to legal services, rendered in connection with the retention of Huron or the presentation and prosecution of any interim or final fee applications or requests for payment of administrative expenses) and (b) Huron's fees associated with administration of filings and reporting required by the bankruptcy court related to the Debtors' retention of Huron. Certain professionals of Huron have billing rates in excess of \$550 per hour. However, at this point Huron does not believe that these professionals will have any significant role in these cases.

Huron has agreed to accept as compensation such sums as may be allowed by the Court. Huron understands that interim and final fee awards are subject to approval by this Court.

Huron also understand the Order Establishing Procedures for Interim Monthly Compensation and Reimbursement of Professional approved by this Court and will submit billings in accordance with that order.

No payments have been made to Huron for services rendered or to be rendered, in connection with these cases. Subject to the approval of this Court, the source of all compensation for professional services to be rendered on behalf of the Debtors shall be from the funds of the Debtors' estate.

No agreement exists between Huron and any other person (other than employees and shareholders of Huron) for the sharing of compensation to be received by Huron in connection with services rendered in these cases.

/s/ James M. Lukenda

James M. Lukenda, CIRA

Sworn and subscribed to
before me this 24th day of
June, 2002

/s/ Arlene C. Bell
Notary Public

Arlene C. Bell
Notary Public of New Jersey
My Commission Expires Aug. 3, 2003

Exhibit 1C. First Supplement to the Affidavit of James M. Lukenda
CIRA, Pursuant to 11 U.S.C. Sec. 327 and Bankruptcy
Rule 2014(a)

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

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In re :
 : **Chapter 11 Case Nos.**
 :
GLOBAL CROSSING LTD., et al., : **02-40187 (REG) through**
 : **02-40241 (REG),**
 : **02-11982 (REG)**
 :
Debtors. : **(Jointly Administered)**
 :
-----X

**FIRST SUPPLEMENT TO THE AFFIDAVIT OF JAMES M. LUKENDA CIRA,
PURSUANT TO 11 U.S.C. SEC. 327 AND BANKRUPTCY RULE 2014(a)**

STATE OF NEW JERSEY :
 : SS:
COUNTY OF MORRIS :

James M. Lukenda, CIRA, of full age, being duly sworn according to law, upon his oath deposes and says:

I am a Director with Huron Consulting Group LLC (“Huron”) whose New York office is currently located at 1350 Avenue of the Americas, New York, NY 10105. I submit this first supplement (the “Supplemental Affidavit”) to my affidavit dated June 24, 2002 pursuant to 11 U.S.C. §§ 327 and Fed. R. Bank. P. 2014 and 2016 in support of the Application for an Order Pursuant to 11 U.S.C. §§ 327 Authorizing the Employment and Retention of Huron Consulting Group LLC as Bankruptcy and Financial Advisor to Global Crossing Ltd. and subsidiaries in these Chapter 11 bankruptcy case (respectively, “Debtors” and “Cases”). Except as otherwise indicated, I have personal knowledge of the matters set forth herein and if called as a witness, would testify competently thereto.

Included with the Supplemental Affidavit as Exhibit 1 is a copy of the Arthur Andersen’s letter to Ms Mary E. Tom, Assistant United States Trustee, dated June 18, 2002, regarding Arthur Andersen’s transition of Arthur Andersen’s financial advisory work in these cases to Huron Consulting Group LLC effective May 13, 2002. In conjunction with the

transition, certain Arthur Andersen personnel who did not join Huron Consulting Group LLC on or before May 13, 2002 continued to provide services through various dates until the end of May in order to complete or effectively transition assignments.¹ Such time was necessary and non duplicative with the efforts of the Huron Consulting Group LLC personnel who continued on the Global Crossing assignment.

_____/s/____

James M. Lukenda, CIRA

Sworn and subscribed to
before me this 3rd day of
July, 2002

_____/s/____2278534____
Notary Public

Susana Chinni
Notary Public New Jersey

¹ One individual in this group joined Huron Consulting Group LLC after May 17, 2002. Except for two individuals working on a project in the United Kingdom, the remainder of those individuals with time after May 13, 2002 in Arthur Andersen's June 14, 2002 interim bill for the month of May 2002 left Arthur Andersen's employment at various times coinciding with the date they ceased to charge time on the Global Crossing engagement .



June 18, 2002

BY FACSIMILE (212) 668-2256

Mary E. Tom, Esq.
Assistant United States Trustee
Office of the United States Trustee
33 Whitehall Street, 21st Floor
New York, New York

(312) 507-6415

Re: Global Crossing Ltd., et al. ("Global Crossing" or the "Debtors")

Dear Ms Tom:

This is to confirm: In connection the transaction by which various Arthur Andersen practices moved to Huron Consulting Group LLC, Arthur Andersen provided notice to the management of Global Crossing that it would be unable to continue as the financial advisor for the Debtors and was prepared to transition its role to a new party as quickly as was reasonable.

At the present time, Arthur Andersen continues as the Debtors' auditor and may continue to provide certain non-duplicative consulting services for the Debtors and their affiliates in foreign jurisdictions.

Effective May 13, 2002, Arthur Andersen completed the transition of the financial advisory work to Huron Consulting Group LLC. With the exception of any work associated with the aforementioned non-duplicative consulting services and audit work, filing final billings and fee applications and responding to any final requests for information, etc., Arthur Andersen will have no additional time after May 13, 2002 on this engagement as relates to its financial advisory role in these cases.

I hope this addresses your questions. Please call me if you require further clarification.

Very truly yours,

ARTHUR ANDERSEN LLP

By

Jerry L. Turner

Cc Joseph P. Perrone, Global Crossing Ltd.
Michael Walsh, Weil Gotshal & Manges
James M. Lukenda, Huron Consulting Group LLC

Exhibit 1D. Order Authorizing the Nunc Pro Tunc Employment and
Retention of Huron Consulting Group LLC by the Debtors
and Debtors in Possession

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

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In re :
 :
 : **Chapter 11 Case Nos.**
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GLOBAL CROSSING LTD., et al., : **02-40187 (REG) through**
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**ORDER AUTHORIZING THE
NUNC PRO TUNC EMPLOYMENT
AND RETENTION OF HURON CONSULTING
GROUP LLC BY THE DEBTORS AND DEBTORS IN POSSESSION**

Upon the application dated June 27, 2002 (the “Application”) of Global Crossing Ltd. and its debtor subsidiaries, as debtors in possession (collectively, the “Debtors”), for an order pursuant to sections 327(a) and 328(a) of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), authorizing them to retain and employ Huron Consulting Group LLC (“Huron”) to provide financial and bankruptcy consulting services to the Debtors; and upon the Affidavit of James M. Lukenda in support of the Application, all as more fully set forth in the Application; 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 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 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 of

the Application having been provided to the Office of the United States Trustee for the Southern District of New York, the attorneys for the official committee of unsecured creditors, the attorneys for the Debtors' prepetition lenders, the Joint Provisional Liquidators (the "JPLs") appointed by the Supreme Court of Bermuda in respect of certain of the Debtors herein and their attorneys, and those parties entitled to notice pursuant to this Court's order dated January 28, 2002 establishing notice procedures in these cases, and no other or further notice need be provided; and it appearing that Huron neither holds nor represents any interest adverse to the Debtors' estates; and it appearing that Huron is "disinterested," as that term is defined in section 101(14) of the Bankruptcy Code; and it appearing that the relief requested in the Application is in the best interest of the estates and their creditors; after due deliberation and sufficient cause appearing therefore, it is hereby

ORDERED that the Application is granted in its entirety; and it is further

ORDERED that in accordance with sections 327(a) and 328(a) of the Bankruptcy Code, the Debtors are authorized to employ and retain Huron nunc pro tunc to May 13, 2002, to provide financial and bankruptcy consulting services to the Debtors and it is further

ORDERED that Huron shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules as may then be applicable, from time to time, and such procedures as may be fixed by order of this Court.

ORDERED that the requirement pursuant to Local Rule 9013-1(b) that the Debtors file a memorandum of law in support of the Motion is hereby waived.

Dated: July 15, 2002
New York, New York

/s/ Robert E. Gerber
UNITED STATES BANKRUPTCY JUDGE

Exhibit 2A. Summary of Financial Advisors' Rates and Total Charges
for the Period Beginning April 1, 2003 and Ending
December 9, 2003

**HURON CONSULTING GROUP LLC
IN RE: GLOBAL CROSSING LTD., ET AL.
SUMMARY OF FINANCIAL ADVISORS'
RATES AND TOTAL CHARGES FOR THE PERIOD
BEGINNING APRIL 1, 2003 AND ENDING DECEMBER 9, 2003**

<u>Professional</u>	<u>Level</u>	<u>Hourly Billing Rate</u>	<u>Total Billed Hours</u>	<u>Total Compensation</u>
James M. Lukenda *	Managing Director	\$600	68.6	\$41,160
James M. Lukenda *	Managing Director	550	17.3	9,511
Stephen Burns	Director	350	413.3	144,655
Christopher C. Alberta *	Manager	350	61.4	21,490
Christopher C. Alberta *	Manager	310	6.3	1,953
Joseph P. Neilson	Manager	310	1.0	310
Ellayne Famatid	Associate	250	1,073.5	268,375
Irina Logovinsky	Associate	250	8.1	2,025
Lee Sweigart	Associate	250	107.0	26,750
Salvatore Messina	Associate	250	3.1	775
Brandi Long	Associate	225	3.0	675
Angela Tsai *	Analyst	175	176.6	30,905
Angela Tsai *	Analyst	150	73.4	11,010
Dana E. Lee	Analyst	175	1.4	245
Mark Javitch	Analyst	175	304.5	53,288
Sabrina D. Hartzog *	Analyst	175	640.2	112,035
Sabrina D. Hartzog *	Analyst	150	82.0	12,300
Adam Borod	Analyst	150	2.0	300
Christin Sogge	Analyst	150	4.2	630
Donald Magilligan	Analyst	150	18.2	2,730
Eric Schroeder	Analyst	150	836.3	125,445
Noreen Hamid	Analyst	150	16.8	2,520
Pamela Chang	Analyst	150	97.3	14,595
TOTAL		\$220	4,015.5	\$883,682

* Huron implemented billing rate adjustments for certain professionals during the Subject Period. As a result, the fees for these professionals have been calculated based on the professionals' billing rates at the time fees were incurred.

Exhibit 2B. Summary of Services by Activity Code

**HURON CONSULTING GROUP LLC
IN RE: GLOBAL CROSSING LTD., ET AL.
SUMMARY OF FINANCIAL ADVISORS'
SERVICES BY ACTIVITY CODE
BEGINNING APRIL 1, 2003 AND ENDING DECEMBER 9, 2003**

Code	Activity	Total Billed Hours	Total Compensation
1	Meeting / teleconference with Debtor Management, Board, or Counsel	96.9	\$33,915
2	Meeting / teleconference with Bank Group, Counsel or Advisors	2.3	805
3	Meeting / teleconference with Statutory Committees, Counsels or Advisors	27.1	9,485
4	Court Hearings / Preparation	2.6	1,560
5	Case Reporting: UST Reports, Statements & Schedules	13.4	7,870
6	Retention and Fee Applications	76.6	26,739
7	Disclosure Statement / Plan of Reorganization	0.8	480
9	Cash Flow Analysis and Reporting	1,055.3	184,883
12	Tax Issues / Analysis	3.5	2,100
14	Account Analysis and Reconciliations	193.3	34,525
16	Unsecured Claim Analysis	2,032.1	453,512
19	Analysis of Accounting and Disclosure Matters	35.9	21,140
20	Accounts Payable / Vendor Issues	0.4	60
23	Lease Issues	2.0	300
24	Other	473.3	106,309
	TOTAL	<u>4,015.5</u>	<u>\$883,682</u>

Exhibit 2C. Summary of Total Financial Advisors' Charges

**HURON CONSULTING GROUP LLC
IN RE: GLOBAL CROSSING LTD., ET AL.
SUMMARY OF FINANCIAL ADVISORS'
TOTAL FEES AND EXPENSES**

<u>Period</u>	<u>Fees</u>	<u>Expenses</u>
First Interim Fee Application (net of adjustment)	\$1,302,501	\$57,496
Second Interim Fee Application	2,359,061	254,973
Third and Final Fee Application	883,682	21,376
Final Post-Emergence Billing (estimated maximum)	12,000	-
TOTAL	<u><u>\$4,557,244</u></u>	<u><u>\$333,845</u></u>

Exhibit 3 Daily Time Diaries by Activity

Exhibit 4 Summary of Expenses

**HURON CONSULTING GROUP LLC
IN RE: GLOBAL CROSSING LTD., ET AL.
SUMMARY OF FINANCIAL ADVISORS'
EXPENSES FOR THE PERIOD
BEGINNING APRIL 1, 2003 AND ENDING DECEMBER 9, 2003**

Professional Name	Airfare	Mileage	Parking/ Tolls	Rental Cars	Transportation	Lodging	Tele- phone	Meals	Courier/ Federal Express	Postage/ Supplies	Faxes	Duplication	Computer Supplies	Other	Total
Angela Tsai										\$167					\$167
Brandi Long														\$5	\$5
Christin Sogge			\$36												\$36
Donald Magilligan					\$26										\$26
Ellayne Famatid	\$2,672		\$86	\$291	\$451	\$1,335	\$45	\$444						\$20	\$5,342
Eric Schroeder	\$1,217		\$15		\$362	\$591		\$409							\$2,595
James M. Lukenda		\$88	\$97		\$40		\$51							\$50	\$327
Lee Sweigart				\$136	\$52	\$216		\$163		\$138					\$705
Mark Javitch				\$224	\$93	\$557		\$80					\$5		\$959
Pamela Chang					\$36										\$36
Sabrina D. Hartzog					1,140	\$1,948	\$53	\$333		\$41				\$5	\$3,521
Stephen Burns	\$4,471		\$120	\$676	\$140	\$2,046	\$46	\$94		\$14				\$51	\$7,657
Total	\$8,360	\$88	\$354	\$1,327	\$2,340	\$6,693	\$195	\$1,523	\$360	\$5				\$131	\$21,376