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Roger Cukras

Special Tax Counsel for Debtors

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

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<b>In re</b>	:	<b>Chapter 11 Case Nos.</b>
	:	
	:	<b>02-40188 (REG)</b>
	:	
<b>GLOBAL CROSSING LTD., et al.,</b>	:	<b>(Jointly Administered)</b>
	:	
<b>Debtors.</b>	:	

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**DECLARATION OF ROGER CUKRAS IN SUPPORT OF THE  
THIRD AND FINAL APPLICATION OF INGRAM YUZEK GAINEN CARROLL  
& BERTOLOTTI, LLP, AS SPECIAL TAX ATTORNEYS FOR THE DEBTORS**

I, ROGER CUKRAS, under penalty of perjury, hereby declares as follows:

1. I am a member of the law firm of Ingram Yuzek Gainen Carroll & Bertolotti, LLP (“Ingram Yuzek”). I am admitted to practice before the courts of the State of New York and the U.S. Tax Court.

2. The Third and Final Fee Application of Ingram Yuzek, dated February 4, 2004, was served upon the Debtors, members of the Fee Committee and the Office of the U.S. Trustee on February 4, 2004.

3. On the date hereof, the Third and Final Fee Application is being electronically filed with the Bankruptcy Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 4, 2004

/s/ Roger Cukras

Roger Cukras

Hearing Date: April 22, 2004 9:45 AM

INGRAM YUZEK GAINEN CARROLL  
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<b>GLOBAL CROSSING LTD., et al.,</b>	:	<b>(Jointly Administered)</b>
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<b>Debtors.</b>	:	

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**SUMMARY SHEET PURSUANT TO UNITED STATES TRUSTEE GUIDELINES  
FOR REVIEWING APPLICATIONS FOR COMPENSATION AND  
REIMBURSEMENT OF EXPENSES FILED UNDER U.S.C. §§ 330 AND 331**

**THIRD AND FINAL APPLICATION**

**NAME OF APPLICANT:** Ingram Yuzek Gainen Carroll & Bertolotti, LLP  
**ROLE IN THE CASE:** Special Tax Counsel for the Debtors

**THIRD PERIOD:** April 1, 2003 through December 9, 2003  
Total Fees Incurred: \$133,112.50  
Total Expenses Incurred: \$2,919.88

**FINAL PERIOD:** June 24, 2002 through December 9, 2003  
Total Fees Requested: \$580,226.00  
Expenses Requested: \$10,089.72  
Payments Received to Date: \$507,177.10  
Total Unpaid Amounts from Third Period plus  
Any Holdback From All Three Periods: \$83,138.62  
December 2003 Fees to December 9, 2003: \$9,718.50  
December 2003 Expenses to December 9, 2003: \$49.45

The following is a summary of the prior applications in these chapter 11 cases:

<b>DATE APPROVED</b>	<b>PERIOD COVERED</b>	<b>FEE INCURRED</b>	<b>FEE/EXPENSES PREVIOUSLY REQUESTED TO BE APPROVED BY THE COURT</b>	<b>APPROVED FEE/EXPENSES</b>	<b>HOLDBACK OUTSTANDING</b>
06/04/03	06/24/02-09/30/02	\$122,148.00	\$122,148/\$1,908.85	\$122,148/\$1,908.85	0
12/16/03	10/01/02-03/31/03	\$324,965.50*	\$313,567.20*/\$7,287.21**	\$313,567.20/\$5,920.91**	\$10,191.30***

\* Please see paragraph 34. The difference of \$11,398.20 in the amount of fees incurred (\$324,965.50) and fees previously requested be approved (\$313,567.30) was due to an increase in the billing rates for January, February and March of 2003. Debtors were billed \$324,965.50 for fees for these months and the Final Application seeks Court approval of the amount billed.

\*\* The difference in the expenses was due to amounts for secretarial overtime and a portion of duplicating charges which IY agreed to waive.

\*\*\* Holdback amount is presented on basis of when time was incurred as opposed to when billed and includes holdback for fees for March 2003 which were not billed until April 2003.

Hearing Date: April 22, 2004 9:45 AM

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Special Tax Counsel for Debtors

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

<b>In re</b>	:	<b>Chapter 11 Case Nos.</b>
	:	
	:	<b>02-40188 (REG)</b>
	:	
<b>GLOBAL CROSSING LTD., et al.,</b>	:	<b>(Jointly Administered)</b>
	:	
<b>Debtors.</b>	:	
	:	

**THIRD AND FINAL APPLICATION OF INGRAM YUZEK  
GAINEN CARROLL & BERTOLOTTI, LLP, AS SPECIAL TAX  
ATTORNEYS FOR THE DEBTORS, FOR ALLOWANCE OF  
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND  
FOR REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES**

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

Ingram Yuzek Gainen Carroll & Bertolotti, LLP (“IY”), Special Tax Counsel For Global Crossing Ltd. and its debtor subsidiaries, as debtors in possession in the above-captioned cases (collectively, the “Debtors” or “Global Crossing”), for its third and final application (the “Application”), pursuant to sections 330(a) and 331 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for (i) allowance of compensation for professional services performed by IY for the period from April 1, 2003 through December 9, 2003 (the “Third Compensation

Period”), (ii) reimbursement of its actual and necessary expenses incurred during the Third Compensation Period, (iii) payment of any unpaid holdback for the period June 24, 2002 through December 9, 2003, and (iv) final allowance of compensation for professional services performed by IY and reimbursement of actual and necessary expenses incurred for the period commencing June 24, 2002 through December 9, 2003 (the “Final Compensation Period”), including approval for an increase of \$11,398.20 in fees for services with respect to IY’s Second Compensation Period of October 1, 2002 through March 31, 2003, respectfully represents:

### **BACKGROUND**

1. On January 28, 2002 (the “Commencement Date”), GCL and certain of its debtor subsidiaries each commenced a case in the United States Bankruptcy Court for the Southern District of New York (the “Court”) under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code,” such entities, together with their affiliates that commenced cases on April 24, 2002, August 4, 2002, and August 30, 2002 (“Global Crossing” or the “ Debtors”). 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. On the Commencement Date, the Debtors retained IY as an ordinary course professional to perform certain tax-related services pursuant to the Court’s Order Pursuant to Sections 105(a), 327, 328 and 330 of the Bankruptcy Code.

3. No trustee has been appointed in these cases. On February 7, 2002, the United States Trustee (the “U.S. Trustee”) appointed an official committee of unsecured creditors (the “Creditors’ Committee”). On November 21, 2002, the Court entered an order directing the appointment of an examiner (the “Examiner”) to review certain financial and accounting records of the Debtors. On November 25, 2002, the U.S. Trustee appointed Martin E. Cooperman as the Examiner.

4. Each of the Debtors 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.

5. On August 9, 2002, the Court approved that certain purchase agreement (the “Purchase Agreement”) among GCL, Global Crossing Holdings Ltd., the JPLs, Singapore Technologies Telemedia Pte Ltd. (“STT”) and Hutchison Telecommunications Limited (“Hutchison”). On April 30, 2003, in accordance with the terms of the Purchase Agreement, Hutchison terminated its rights and obligations under the Purchase Agreement and STT assumed Hutchison’s rights and obligations thereunder. Pursuant to the Purchase Agreement, the Debtors were required to file a plan of reorganization to implement the transactions contemplated by the Purchase Agreement.

6. On September 16, 2002, the Debtors filed their Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (as such plan may be amended from time to time, the “Plan”) and the Disclosure Statement with respect to the Plan (as such disclosure statement has been amended from time to time, the “Disclosure Statement”). On October 21, 2002, the Court entered an order approving the Disclosure Statement.

7. By application dated September 27, 2002, IY applied for an order approving that firm’s retention and employment as special tax counsel *nunc pro tunc* to June, 2002.

8. Commencing on December 4, 2002, hearings were held in respect of confirmation of the Plan. On December 26, 2002, the Court entered an order confirming the Plan.

9. IY had served as tax counsel to the Debtors prior to the commencement of these cases and was familiar with Debtors' tax returns filed in several jurisdictions including New York State, New York City, New Jersey and Connecticut which filed tax claims in the instant proceedings against the Debtors exceeding \$30 million. After being approved as special tax counsel, IY effectuated the resolution of all tax claims submitted by New York State, New Jersey and Connecticut. IY had commenced negotiations with the New York City Department of Finance for the tax claims submitted by that jurisdiction and continues to do so. IY has also researched and advised as to state and local tax consequences resulting from certain proposed restructuring of the Debtors and from certain proposed intercompany transactions.

**SUMMARY OF PROFESSIONAL COMPENSATION  
AND REIMBURSEMENT OF EXPENSES  
REQUESTED FOR THE THIRD COMPENSATION PERIOD**

10. IY prepared this application in accordance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the "Local Guidelines"), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the "UST Guidelines") and the Amended Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals (the "Administrative Order," and collectively with the Local Guidelines and UST Guidelines, the "Guidelines"). Pursuant to the Local Guidelines, a certification regarding compliance with same is attached hereto as Exhibit A.



11. IY seeks allowance of the compensation for professional services rendered to the Debtors during the Third Compensation Period, in the aggregate amount of \$133,112.50, and for reimbursement of expenses incurred in connection with the rendition of such services in the aggregate amount of \$2,259.96.\* During the Third Compensation Period, IY attorneys and paraprofessionals expended a total of 292.80 hours for which compensation is requested.

12. There is no agreement or understanding between IY and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these cases.

13. IY's fees in these cases are billed in accordance with its existing billing rates and procedures in effect during the Third Compensation Period. The rates IY charges for the services rendered by its professionals and paraprofessionals in these chapter 11 cases are the same rates IY charges for professional and paraprofessional services rendered in comparable non-bankruptcy related matters. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable non-bankruptcy cases in a competitive national legal market.

14. Pursuant to the UST Guidelines, annexed hereto as Exhibit B is a schedule setting forth the IY professionals and paraprofessionals who have performed services in these chapter 11 cases during the Third Compensation Period, the capacities in which each such individual is employed by IY, the department in which each individual practices, the hourly billing rate charged by IY for services performed by such individual, the aggregate number of hours expended in this matter and fees billed therefor, and the year in which each professional was first licensed to practice law.

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\* The expenses sought to be approved are less than the amount of expenses incurred for the Third Compensation Period since adjustments have been made primarily for secretarial overtime and duplicating charges.

15. Annexed hereto as Exhibit C is a schedule specifying the categories of expenses for which IY is seeking reimbursement for the Third Compensation Period and the total amount for each such expense category.

16. Pursuant to Section II.D of the UST Guidelines, annexed hereto as Exhibit D is a summary by project categories of the services performed by IY during the Third Compensation Period.

17. IY maintains computerized records of the time spent by all IY attorneys and paraprofessionals in connection with the prosecution of the Debtors' chapter 11 cases. Subject to redaction for the attorney-client privilege where necessary to protect the Debtors' estates, copies of these computerized records have been furnished to the United States Trustee for the Southern District of New York (the "U.S. Trustee"), the attorneys for the statutory committee of unsecured creditors appointed in these chapter 11 cases (the "Committee"), Joint Provisional Liquidators and their attorneys ("JPLs"), and the attorneys for the Debtors' prepetition lenders (the "Banks") in connection with IY's fee statements.

18. Prior to the commencement of these cases, the Debtors paid IY an aggregate amount of \$681,289.62 in respect of professional services rendered and for disbursements incurred and as retainers for services to be rendered and disbursements to be incurred in connection with (a) the Debtors' efforts prior to the commencement of the chapter 11 cases to restructure their obligations out of court, (b) the preparation for the filing of the Debtors' chapter 11 cases, and (c) certain other related matters.

19. From the period from January 28, 2002 to June 21, 2002, the Debtors were billed an aggregate amount of \$98,052.50 plus disbursements of \$1,060.76 by IY as ordinary course professionals rendering state and local tax services. IY applied for an order pursuant to sections

327(e) and 328(a) of the Bankruptcy code authorizing and approving the retention by the Debtors of IY as special tax counsel *nunc pro tunc* to June, 2002. On October 10, 2002, such an order was issued.

20. On November 21, 2002, IY submitted its First Application for compensation for the period from June 24, 2002 through September 30, 2002 in the amount of \$122,148.00 for professional services and \$1,908.85 for reimbursement of expenses. The First Application was approved by the Court on June 4, 2003.

21. On May 30, 2003, IY submitted its Second Application for compensation for period from October 1, 2002 through March 31, 2003 in the amount of \$313,567.00 for the professional services and \$7,287.21 for reimbursement of expenses. The Second Application was approved by the Court on December 16, 2003 and IY agreed to reduce expenses by \$1,366.30 for secretarial overtime and duplicating charges.

22. This is third application for compensation by IY since the issuance of the order authorizing and approving the retention of IY as Special Tax Counsel.

23. To the extent that time or disbursement charges for services rendered or disbursements incurred relate to the Third Compensation Period, but were not processed prior to the preparation of this Application, IY reserves the right to request additional compensation for such services and reimbursement of such expenses in a future application.

**SUMMARY OF SERVICES FOR  
THE THIRD COMPENSATION PERIOD**

24. IY has dedicated substantial resources to address state and local tax claims made against the Debtors and to provide tax planning advice regarding certain restructuring and proposed transactions to be undertaken by the Debtors. IY has provided research and planning advice; has reviewed various tax returns previously filed with state and local tax jurisdictions;

has reviewed the details of claims filed by various taxing authorities; and has effectuated the withdrawal and resolution of tax claims asserted by three tax jurisdictions (New York, New Jersey and Connecticut) and is continuing to negotiate with the remaining fourth jurisdiction (New York City). IY has also dealt with various issues involving IPC Information Systems, Inc. (“IPC”).

25. The salient matters for which IY provided services during the Third Compensation Period are as follows:

(a) *IPC*. Negotiating and drafting agreement between Global Crossing and IPC for cooperating in addressing tax claims made against Global Crossing and IPC by New York City and for sharing of liability in the event of a settlement; comparing the terms of the former Settlement Agreement with IPC with the new proposed agreement with IPC; addressing issues raised by tax authorities on Global Crossing’s filing certain tax returns; reviewing documentation for submission to tax authorities; formulating responses to tax authorities; meetings and conference calls with Global Crossing Tax Department and Corporate Department and IPC Tax Department and with IPC’s outside tax counsel; addressing joint tax claims made against Global Crossing and IPC; coordination with IPC and its outside counsel.

(b) *New Jersey*. Negotiating with New Jersey Division of Taxation on all tax claims filed; obtaining information and documentation from Global Tax Department; preparation and submission of returns and of affidavits and documentation for resolving sales tax, withholding tax and corporation business tax claims. Effectuating resolution of claims; research of various withholding tax issues and of various corporation business tax consequences resulting from certain proposed intercompany transactions.

(c) *New York City*. Research of various issues in preparation for meeting with the New York City Department of Finance to resolve tax claims, review of files and documents for meeting, development of information for determining potential exposure for City’s claims, preparation of proposal for addressing tax claims and drafting memo on position; preparation of separate files for various Global Crossing companies for each type of tax claim asserted; meeting with New York City Department of Finance and continuing negotiations.

(d) *New York State.* Research of corporate income tax consequences from proposed intercompany transactions; following proposed legislation for changes in tax treatment of telecommunications companies; dealing with tax auditors on corporation income tax issues, research of combined return issues; research of withholding issues; review of status of tax claims and effectuating withdrawal of tax claims in bankruptcy proceeding.

26. The professional services performed by IY were necessary and appropriate to the administration of the Debtors' chapter 11 cases and were in the best interests of the Debtors and other parties in interest. Compensation for the services described above is commensurate with the complexity, importance, and nature of the problems, issues, or tasks involved.

27. The services performed by IY during the Third Compensation Period were almost entirely rendered by Roger Cukras, a member who specializes in state and local tax matters and whose expertise in this area is well recognized.

28. The professional services performed by IY on behalf of the Debtors during the Third Compensation Period required an aggregate expenditure of 284.00 recorded hours by this member of IY and 8.80 hours by paralegals. The professional services were performed with expedience and in an efficient manner.

29. During the Third Compensation Period, IY's hourly billing rates for the member working on the Debtors' matters was \$465 per hour. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners with an expertise in state and local taxation in a competitive national legal market. As noted, attached hereto as Exhibit B is a schedule listing IY's professionals and paraprofessional who performed services in these cases during the Third Compensation Period, the hourly rate charged by IY for services performed by each such individual, and the aggregate number of hours and charges by each such individual.

**ACTUAL AND NECESSARY DISBURSEMENTS  
OF IY DURING THE THIRD COMPENSATION PERIOD**

30. As set forth in Exhibit C hereto, the expenses incurred by IY in providing professional services during the Third Compensation Period for which reimbursement is sought is \$2,259.96.

31. With respect to photocopying expenses, the charges included are at \$.20 per page. With respect to facsimile expenses, the charges are at \$1.25 per page as permitted by the Guidelines.

32. In addition, because of the location of the Debtors' businesses in relation to IY's offices, long distance telephone calls were required. On several occasions, overnight delivery of documents and other materials was required as a result of circumstances necessitating the use of such express services. These disbursements are not included in IY's overhead for the purpose of setting billing rates. IY has made every effort to minimize its disbursements in these cases. The actual expenses incurred in providing professional services were absolutely necessary, reasonable, and justified under the circumstances to serve the needs of the Debtors, their estates, and creditors.

**FINAL COMPENSATION REQUEST BY IY**

33. By this Application, IY also requests final allowance of \$590,315.72 for the Final Compensation Period, representing \$580,226.00 as compensation for professional services rendered and \$10,089.72 as reimbursement for actual and necessary expenses IY incurred. In accordance with IY's prior fee applications in these chapter 11 cases that have been approved by the Court, IY has received \$507,177.10 for fees and disbursements. In addition, \$83,138.62 remains due and owing by the Debtors to IY (including any fees and disbursements remaining unpaid for the Third Compensation Period and for any hold back amounts) for the Final Period.

34. In the Second Application for Interim Allowance of Compensation for the period October 1, 2002 through March 31, 2003, IY sought approval of fees of \$313,567.20 based on the hourly rate for Roger Cukras of IY of \$435 per hour for time for that entire period. However, that member's rate increased for time on and after January 1, 2003 to \$465 per hour. In IY's monthly statements for January, February and March, 2003 that had been sent to the Debtors, the Debtors were billed at the rate of \$465 per hour. IY respectfully requests the Court's approval for the increase in the fees for this three-month period from the \$313,567.20 previously submitted to the Court in its Second Application to \$324,955.50. Since the Debtors had been previously billed at the correct rate and since the Debtors had made payments based on the correct rate, it is respectfully submitted that the Debtors were not under a false or wrong impression as to the amount of IY's fees. It is respectfully pointed out that in IY's Second Application, IY had requested that the allowance of compensation be "without prejudice to IY's right to seek additional compensation for services performed and expenses incurred which had not been processed at the time of [the] Application." IY also asked the Court to "grant such other and further relief as is just" (the Second Application, dated May 30, 2003, pg 11, items (ii) and (iii)).

35. The primary area addressed by IY focused on the tax claims filed by Connecticut, New York State, New York City and New Jersey. The total amount of the claims originally so filed exceeded \$30 million. IY effectuated the resolution of the tax claims filed by Connecticut, New York State and New Jersey for a small percentage of the amounts claimed. As to the tax claims filed by New York City, IY commenced negotiations with the New York City Department of Finance but has not yet concluded these negotiations. Another area which

required substantial services of IY involved dealing with issues involving IPC. More specifically, during the Final Period, IY's services included:

(a) *New York State Sales Tax and Gross Receipt Taxes.* The New York State Department of Taxation and Finance (the "NYSDTF") had asserted substantial liabilities for sales taxes and gross receipts taxes allegedly owed by the Debtors. IY represented the Debtors in discussions with the NYSDTF and has assisted the Debtors negotiate agreements with the NYSDTF to resolve these asserted tax liabilities. A Closing Agreement has been executed with the NYSDTF resolving the gross receipt tax liability of the Debtors as asserted by the NYSDTF. A Closing Agreement was also executed with the NYSDTF resolving officer liability. IY also effectuated the withdrawal of all claims made by the NYSDTF.

(b) *New York State Tax Refunds.* IY has assisted the Debtors in pursuing significant tax refunds for New York State sales taxes paid on various telecommunications equipment and the NYSDTF has finalized the amount of the refund.

(c) *New York State Tax Filings.* IY has assisted the Debtors with the filing of their New York State tax returns and is providing research and technical support in connections with those returns.

(d) *IPC.* Research of various state and local tax consequences from Global Crossing's purchase and sale of IPC, including reviewing provisions of the IPC Purchase Agreement; the state and local tax consequences of the § 338(h)(10) election, the availability of net operating losses; drafting responses to the objections by IPC to Global Crossing's proposed rejection of its obligations under the Purchase Agreement; negotiating and drafting various provisions of the Settlement Agreement with IPC; attending Bankruptcy Court proceedings on approval of the Settlement Agreement; developing information necessary for tax return filing regarding IPC; conference calls and meetings with Global and IPC tax departments and conference calls with Creditor's Committee and bank representatives regarding IPC.

(e) *Sales Tax Research.* Multiple jurisdiction research of tax consequences resulting from proposed major restructuring transactions. Researching sales tax laws of various states for potential exemption for contemplated transactions.

(f) *New York City.* Review of Utility Tax Claims, research statute of limitations issues, meeting with New York City Department of Finance ("NYCDOF") regarding claims; reviewing



records of various Debtors to address City tax claims; continuing negotiations with NYCDOF.

(g) *Objections by State of Washington.* Review of objections filed by State of Washington to proposed order of Bankruptcy Court on Plan of Reorganization regarding preclusion of state sales tax on transactions contemplated in the Plan; conference calls with Attorney General's Office of four states; participating in the revision of an acceptable order.

(h) *Connecticut Sales Taxes.* The Connecticut Department of Revenue (the "CDR") had proposed the audit and assessments of certain Debtors for sales taxes. IY has negotiated with the CDR to resolve any such sales tax liabilities and reached a final resolution.

(i) *New Jersey Sales, Withholding Taxes and Corporation Business Taxes.* The New Jersey Division of Taxation ("NJDOT") has asserted significant tax liabilities against certain Debtors and IY reviewed the tax claims and obtained records from the Debtors. IY submitted documentation to the NJDOT and conducted negotiations with that agency and reached a resolution on all claims.

36. In addition to the services summarized in paragraph 34 for the First and Second Compensation Periods, IY's services also included those summarized in paragraph 25 for the Third Compensation Period and the contents of that paragraph are incorporated by reference.

37. Throughout the Final Compensation Period, IY has prepared and/or filed, on behalf of the debtors, tax returns, closing agreements, and other documentation that resolved tax claims asserted by three states and has engaged in substantial negotiations to address various tax related issues involving IPC. A more detailed description of the services rendered in the period prior to the Third Compensation Period is contained in the prior fee applications filed by IY in these cases, and each such application is incorporated herein by reference as is fully set forth below.

38. IY advised and assisted the Debtors' tax department in every phase of the Debtors' chapter 11 cases. Roger Cukras (a member of IY) worked with the Debtors' tax

department through the pendency of the cases. Roger Cukras devoted 1,277.95 hours of the total incurred by IY. Roger Cukras is a recognized expert in the field of state and local taxation and lectured in this area at New York University's School of Continuing and Professional Studies, Institute on State and Local Taxation.

39. IY believes that it assisted the Debtors in these chapter 11 cases in an efficient and cost-effective manner and, under the circumstances, its request for final approval of professional fees and reimbursement of expenses should be approved as requested.

40. For many months, IY, on behalf of the Debtors, has engaged in extensive negotiations with the four taxing jurisdictions and in a timely and efficient manner to minimize tax costs. IY has achieved these objectives and has successfully resolved tax claims from three jurisdictions.

**AUTHORIZATION FOR PAYMENT OF  
HOLDBACK AND APPLICATION OF RETAINER**

41. In accordance with the Order of this Court dated December 16, 2003 (the "Third Fee Order"), IY received payment of \$79,231.40 for holdback amounts for periods prior to April 1, 2003.

42. In accordance with that certain Order Establishing Procedures for Interim Compensation and Reimbursement of Chapter 11 Professionals and Committee Members, IY has, to date, received payments totaling \$507,177.10, representing partial payment of the compensation for professional services and of the expenses incurred from June 24, 2002 through December 9, 2003. The total for such services and for such expenses was \$590,315.72. Accordingly, the cumulative unpaid amount (including any holdback amount during the Final Period) is \$83,138.62. By this Application, IY requests authorization for the Debtors to pay IY such unpaid balance.

**THE REQUESTED COMPENSATION SHOULD BE ALLOWED**

43. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 to govern the Court's award of such compensation. 11 U.S.C. § 331. Section 330 provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered, and reimbursement for actual, necessary expenses." Id. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

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

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

Id. § 330(a)(3).

44. In the instant case, IY respectfully submits that the services for which it seeks compensation in this Application were, at the time rendered, believed to be necessary for and beneficial to the Debtors' rehabilitation and reorganization efforts. Such services and

expenditures were necessary to and in the best interests of the Debtors' estates. IY further submits that, in light of the nature, extent, and value of such services to the Debtors, their estates, and all parties in interest, and because of the magnitude and complexity of the Debtors' chapter 11 cases, IY submits that the compensation requested herein is reasonable.

45. The services rendered by IY were necessary and beneficial to the Debtors' estates, and were consistently performed in a timely manner commensurate with the complexity, importance, and nature of the issues involved. Accordingly, approval of the compensation sought herein is warranted.

46. Pursuant to Local Bankruptcy Rule for the Southern District of New York 9013-1(b), because there are no novel issues of law presented herein, the Debtors respectfully request that the Court waive the requirement that the Debtors file a memorandum of law in support of this motion.

47. No previous motion for the relief sought herein has been made to this or any other court.

### **CONCLUSION**

WHEREFORE, IY respectfully requests (i) allowance of compensation for professional services rendered during the Third Compensation Period in the amount of \$133,112.50, which amount includes professional fees rendered from April 1, 2003 through December 9, 2003; (ii) allowance of \$2,259.96 for reimbursement for actual and necessary expenses IY incurred during the Third Compensation Period for expenses incurred from April 1, 2003 through December 9, 2003; (iii) that the Court (a) award on a final basis the aggregate fees in the amount of \$580,226.00 for the Final Compensation Period, which includes an increase of \$11,398.20 in fees for services for IY's Second Compensation Period to the fees previously approved by this Court for such Second Compensation Period, (b) award on the final basis the aggregate expenses

in the amount of \$10,089.72 for the Final Compensation Period, (c) allow payment of the unpaid balance of \$83,138.62; (iv) the allowance of such compensation for professional services rendered and reimbursement of actual and necessary expenses incurred be without prejudice to IY's right to seek additional compensation for services performed and expenses incurred during these chapter 11 cases which were not processed at the time of this Application; and (v) the Court grant IY such other further relief as is just.

Dated: New York, New York  
February 4, 2004

/s/ Roger Cukras  
Roger Cukras  
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Special Counsel to Debtors and  
Debtors In Possession

**EXHIBIT A**

Hearing Date: April 22, 2004 9:45 AM

INGRAM YUZEK GAINEN CARROLL  
& BERTOLOTTI, LLP  
250 Park Avenue  
New York, NY 10177  
Telephone: (212) 907-9600  
Facsimile: (212) 907-9681  
Roger Cukras

Special Tax Counsel for Debtors

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

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

**CERTIFICATION UNDER GUIDELINES FOR FEES AND  
DISBURSEMENTS FOR PROFESSIONALS IN RESPECT OF THIRD AND FINAL  
APPLICATION OF INGRAM YUZEK GAINEN CARROLL & BERTOLOTTI, LLP  
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**

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I, Roger Cukras, hereby certify that:

1. I am a partner with the applicant firm, Ingram Yuzek Gainen Carroll & Bertolotti, LLP (“IY”), Special Tax Counsel of Global Crossing Ltd. and its affiliated debtors (collectively, the “Debtors”), in respect of compliance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the “Local Guidelines”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the “UST Guidelines”), and the Amended Order

Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals (the “Administrative Order,” and collectively with the Local Guidelines and UST Guidelines, the “Guidelines”).

2. This certification is made in respect of IY’s application, dated February 4, 2004 (the “Application”), for the third and final compensation and reimbursement of expenses with respect to the third compensation period for the period commencing April 1, 2003 through and including December 9, 2003 (the “Third Compensation Period”) and for the final period of June 24, 2002 through and including December 9, 2003 (the “Final Period”) in accordance with the Guidelines.

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

- a. I have read the Application;
- b. to the best of my knowledge, information, and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Local Guidelines;
- c. the fees and disbursements sought are billed at rates in accordance with practices customarily employed by IY and generally accepted by IY’s clients; and
- d. in providing a reimbursable service, IY does not make a profit on that service, whether the service is performed by IY in-house or through a third party.

4. In respect of section B.2 of the Local Guidelines and as required by the Administrative Order, I certify that since the issuance of the order authorizing retention and employment of IY as special tax counsel on October 10, 2002 *nunc pro tunc* to June 2002 this is the first submission of billing with a statement of fees and disbursements for the Third Compensation Period that has been made and that this is the first submission made with respect to the entire Final Period. Previously, applications had been made for interim allowance of fees

for the period June 24, 2002 through September 30, 2002 and for the period October 1, 2002 through March 31, 2003.

5. In respect of section B.3 of the Local Guidelines, I certify that the United States Trustee for the Southern District of New York is being provided with a copy of the Application.

Dated: New York, New York  
February 4, 2004

/s/ Roger Cukras  
Roger Cukras



**EXHIBIT B\***  
**PROFESSIONAL SERVICES RENDERED BY**  
**INGRAM YUZEK GAINEN CARROLL & BERTOLOTTI LLP**  
**COMMENCING JUNE 24, 2002 THROUGH DECEMBER 9, 2003**

Name Of Professional	Department	Year Admitted In New York	Rate	Third		Final	
				Total Hours Billed	Total Compensation (\$)	Total Hours Billed	Total Compensation (\$)
Roger Cukras	Partner-Tax	1967	\$ 465	284.00	132,060.00	284.00	132,060.00
			\$ 435	06/24/02-12/31/02		614.00	267,090.00
			\$ 465	01/01/03-03/31/03		379.95	176,676.75
Leigh Roveda	Associate		\$ 225	0	0	11.90	2,677.50
Leah Hahn	Paralegal		\$ 115	.70	80.50	3.65	419.75
Joanna Winslade	Paralegal		\$ 120	8.10	972.00	8.10	972.00
Andrew Furman	Paralegal		\$ 110	0	0	3.00	330.00
<b>TOTAL</b>					<b>133,112.50</b>	<b>1304.60</b>	<b>580,226.00</b>

\* See Exhibit B-1 for monthly breakdown for the period April 1, 2003 through December 9, 2003.

**EXHIBIT B-1**  
**PROFESSIONAL SERVICES RENDERED BY**  
**INGRAM YUZEK GAINEN CARROLL & BERTOLOTTI LLP**  
**COMMENCING APRIL 1, 2003 THROUGH DECEMBER 9, 2003**

<u>PARTNERS</u>	<u>YEAR ADMITTED IN NEW YORK</u>	<u>RATE</u>
Roger Cukras	1967	\$ 465

		HOURS	AMOUNT
April 1	April 30	9.20	4,278.00
May 1	May 31	21.60	10,044.00
June 1	June 30	37.90	17,623.50
July 1	July 31	17.10	7,951.50
August 1	August 31	16.90	7,858.50
September 1	September 30	55.50	25,807.50
October 1	October 31	80.40	37,386.00
November 1	November 30	24.50	11,392.50
December 1	December 9	20.90	9,718.50
<b>TOTAL</b>		<b>284.00</b>	<b>132,060.00</b>

<u>PARALEGALS</u>	<u>RATE</u>
Leah Hahn	\$115

		HOURS	AMOUNT
May 1	May 31	.50	57.50
September 1	September 30	.20	23.00
<b>TOTAL</b>		<b>.70</b>	<b>80.50</b>

<u>PARALEGALS</u>	<u>RATE</u>
Joanna Winslade	\$120

		HOURS	AMOUNT
July 1	July 31	7.10	852.00
August 1	August 30	1.00	120.00
<b>TOTAL</b>		<b>8.10</b>	<b>972.00</b>

**EXHIBIT C**  
**ACTUAL AND NECESSARY DISBURSEMENTS OF**  
**INGRAM YUZEK GAINEN CARROLL & BERTOLOTTI, LLP**  
**COMMENCING JUNE 24, 2002 THROUGH DECEMBER 9, 2003**  
**FOR WHICH APPROVAL IS REQUESTED**

<b>DISBURSEMENTS:</b>	<b><u>Third Amount</u></b>	<b><u>Final Amount</u></b>
Duplicating (@.20 per copy)	\$543.40	\$1,829.60
Hand Deliveries	46.97	299.60
Local Travel	0.00	324.95
Court Costs	61.04	25.83
Federal Express	147.06	1,614.80
Postage	0.00	6.51
Facsimiles	0.00	1,116.25
Out-of-Town Travel	231.00	1,342.90
Secretarial Overtime	0.00	0.00
Computerized Legal Research	0.30	1,265.45
Telephone	92.48	314.10
Out-of-Town Lodging	0.00	188.90
Out-of-Town Meals	1,092.71	1,660.83
Court Services	45.00	100.00
<b>TOTAL DISBURSEMENTS:</b>	<b><u>\$2,259.96</u></b>	<b><u>\$10,089.72</u></b>

**EXHIBIT D**  
**SUMMARY OF PROFESSIONAL SERVICES BY TASK CODE**  
**RENDERED JUNE 24, 2002 THROUGH DECEMBER 9, 2003**

<b>TASK CODE</b>	<b>DESCRIPTION</b>	<b>THIRD</b>		<b>FINAL</b>	
		<b>HOURS</b>	<b>AMOUNT</b>	<b>HOURS</b>	<b>AMOUNT</b>
IY22	State and Local Tax Representation	278.40	126,416.50	1,251.70	556,509.50
IY25	IY Retention/Application to Bankruptcy Court	14.40	6,696.00	52.90	23,716.50