

IRA BENJAMIN KATZ, ESQ.
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re) Chapter 11
))
GLOBAL CROSSING LTD., et al.,) Case No.s 02-40187 (REG)
) THROUGH 02-40241 (REG)
) 02-11982 (REG)
Debtors.) (Jointly Administered)
) Hearing:
) Date: April 22, 2004
) Time: 9:45 a.m.

**SUMMARY SHEET PURSUANT TO UNITED STATES TRUSTEE GUIDELINES FOR
REVIEWING APPLICATIONS FOR COMPENSATION AND REIMBURSEMENT OF
EXPENSES FILED UNDER 11 U.S.C. §§ 330 AND 331
SECOND INTERIM AND FINAL APPLICATION**

Name of Applicant: Law Offices of Ira Benjamin Katz
A Professional Corporation

Authorized to Provide Professional Services to: Debtor-In-Possession

Date of Retention Orders/Role in the Case: Ordinary Course Professional: 1/28, 2003
Special Litigation Counsel: 8/14/2003 nunc
pro tunc to 1/28/2002

Second Interim Application Period: 4/1/2003 through 12/9/2003
Total Fees Incurred: \$10,920.00
Total Expenses Incurred: \$361.37
Hold back: \$2,184.00

Final Application Period: 1/28/2002 through 12/9, 2003
Total Fees Incurred: \$121,095.00
Total Expenses Incurred: \$6,750.25
Payments Received To Date: \$123,621.70
Total Hold back/Other Outstanding: \$4,223.55

Prior Applications in these Chapter 11 Cases: First Interim Application Period: 1/28/2002
through 3/31/2003;
Approved by Order entered 12/12/2003;
Fee Requested/Approved: \$110,175.00
Expenses Requested/Approved: \$6,388.88
Hold back: \$0
Amount Approved But Not Yet Paid: \$2,039.55

IRA BENJAMIN KATZ (California Bar #81007)
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Special Litigation Counsel for Global Crossing, Ltd. Etc. Et al.

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

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In re)	
)	Case Nos. 02-40187 (REG) through
GLOBAL CROSSING, LTD. et al.,)	02-40241 (REG)
)	02-11982 (REG)
)	
Debtors.)	
_____)	

**SECOND INTERIM (APRIL 1, 2003 THROUGH DECEMBER 9, 2003) AND FINAL
(JANUARY 28, 2002 THROUGH DECEMBER 9, 2003) APPLICATION OF LAW
OFFICES OF IRA BENJAMIN KATZ, A PROFESSIONAL CORPORATION AS
SPECIAL LITIGATION COUNSEL FOR GLOBAL CROSSING, LTD. ET AL., FOR
ALLOWANCE OF COMPENSATION FOR PROFESSIONAL SERVICES RENDERED
AND FOR REIMBURSEMENT OF EXPENSES ACTUALLY AND NECESSARILY
INCURRED**

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

Law Offices of Ira Benjamin Katz, A Professional Corporation ("Katz" or "Applicant"),
Special Litigation Counsel for Global Crossing Ltd. and certain affiliated debtors in the above-

captioned cases (collectively, the “Debtors”), for its second 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 allowance of compensation and reimbursement of expenses actually and necessarily incurred in connection with the rendition of such services, and respectfully represents as follows:

I. FEES AND EXPENSES FOR WHICH ALLOWANCE IS SOUGHT

1. This Application is made by Applicant pursuant to sections 330 and 331 of Title 11 U.S.C. (the "Bankruptcy Code") and Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for (a) interim allowance for the period from April 1, 2003 through December 9, 2003 (the “Second Interim Period”) of compensation for professional services rendered in the aggregate sum of \$10,920.00 and expenses actually and necessarily incurred in connection with the rendition of such services in the aggregate amount of \$361.37, (b) final allowance (inclusive of the interim allowance) for the period from January 28, 2002 through December 9, 2003 (the “Final Allowance Period”) of compensation for professional services rendered in the aggregate sum of \$121,095.00 and expenses actually and necessarily incurred in connection with the rendition of such services in the aggregate amount of \$6,750.25, and (c) directing payment of all allowed amounts to the extent not already paid, including (i) \$2,039.55 approved by this Court in connection with Applicant’s first interim allowance application, but not yet paid by the Debtors and (ii) \$2,184.00 in a hold back during the Second Interim Period.

2. In preparing this Application, Applicant has complied with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the "Local Guidelines"), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 adopted on January 30, 1996 (the "UST Guidelines"), and the 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”).

3. During the Second Interim Period, Katz attorneys expended a total of 31.20 hours for which compensation is requested. A schedule setting forth the number of hours expended by the members and associates of Katz during the Final Allowance Period (broken out separately for the First and Second Interim Periods), their respective hourly rates and their respective years of graduation from law school and, to the extent applicable, the year of membership in Katz, is attached hereto as Exhibit "A." A schedule specifying the type of expenses for which Katz is seeking reimbursement and the total amount for each such category during the Final Allowance Period (broken out separately for the First and Second Interim Periods) is attached hereto as Exhibit "B."

4. Katz maintains computerized records of the daily time entries submitted by all Katz attorneys. On December 11, 2003, prior to the preparation and submission of this application, Katz submitted detailed statements containing the foregoing information as well as a detailed listing of the expenses actually and necessarily incurred in the rendition of professional services on behalf of the Debtors to the Debtors, the United States Trustee and others entitled to receive a copy thereof pursuant to the Administrative Guidelines. Pursuant to the Administrative Guidelines, for the Second Interim Period, the Debtors paid to Applicant 80% (\$8,736.00) of the \$10,920.00 in billed fees for professional services rendered to the Debtors and 100% of the \$361.37 in actually and necessarily incurred expenses incurred in connection with the rendition of said professional services, leaving a hold back of \$2,184.00.

5. As set forth in the Certification of Ira Benjamin Katz, attached hereto as Exhibit C, all of the services for which interim and final compensation is sought herein were rendered for and on behalf of the Debtors in connection with their Chapter 11 case.

II. BACKGROUND

6. On January 28, 2002 (the "Commencement Date"), each of the Debtors commenced a case under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). Katz is informed and believes that on December 26, 2002, this Court entered its order confirming the Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code dated October 28, 2002 (the "Plan") and that the Plan became effective on December 9, 2003.

7. As of the Commencement Date, Katz was representing one or more of the Debtors in connection with adversary proceedings pending in the United States Bankruptcy Court for the Central District of California. Pursuant to the Ordinary Course Professionals Order Katz continued to represent one or more of the Debtors in connection with such proceedings as well as in connection with other proceedings. As required by the Ordinary Course Professionals Order, on or about February 12, 2002, Katz completed and sent to Global Crossing for processing both the Retention Questionnaire and the Affidavit and Disclosure Statement of Ira Benjamin Katz on behalf of Law Offices of Ira Benjamin Katz, A Professional Corporation.

8. In or about June, 2003, having been advised by the Debtors that they would apply for an order to retain Applicant nunc pro tunc to January 28, 2002, as special counsel for the Debtors, Katz submitted its application for the period from January 28, 2002 through March 31, 2003 (the "First Interim Period") for interim allowance of fees for professional services rendered to the Debtors in the aggregate sum of \$110,175.00 and reimbursement of expenses actually and necessarily incurred in connection with the rendition of such services in the aggregate sum of \$6,388.88 (the "First Interim Allowance Application"). That application was granted, in its entirety, by order of the Court entered on or about December 12, 2003.

9. In or about July, 2003, the Debtors submitted their application for an order employing Katz, nunc pro tunc, to January 28, 2002, as special litigation (the "Nunc Pro Tunc Special Counsel Employment Application") which application was granted by order entered on August 14, 2003.

10. Katz submits that the work encompassed by this Application for which compensation is sought was performed efficiently and at a reasonable cost to the estates.

11. All of the work summarized in this Application was performed in such a manner as to insure minimal duplication of services in an effort to keep the administration expenses to these estates to a minimum.

III. SERVICES RENDERED BY KATZ DURING THE SECOND INTERIM PERIOD

Katz had completed all of its substantive litigation work on behalf of the Debtors and their Estates during the First Interim Period. Katz's services during the Second Interim Period were primarily devoted to preparation of the First Interim Allowance Application and the "Nunc Pro Tunc Special Counsel Employment Application and interacting with the Debtors and their counsel. All of the professional services rendered by Katz on behalf of the Debtors and their estates during this period are set forth in the computerized time records maintained by Katz. As noted above, on December 11, 2003, Applicant sent a detailed statement for services rendered during the Second Interim Period, specifying the professional services rendered and expenses actually and necessarily incurred on behalf of the Debtors to the Debtors, the United States Trustee and others entitled to receive a copy thereof pursuant to the Administrative Guidelines.

IV. SERVICES RENDERED BY KATZ DURING THE FINAL ALLOWANCE PERIOD

12. Applicants' services during the course of this case have been divided into two separate periods for purposes of compensation: the First Interim Period from the inception of the case on January 28, 2002 through March 31, 2003 and the Second Interim Period from April 1, 2003 through December 9, 2003. The professional services rendered and the expenses actually and necessarily incurred during the Second Interim Period are detailed above. The professional services rendered and the expenses actually and necessarily incurred during the First Interim Period pertained to six discrete matters: four litigation matters, one potential litigation matter and the work done in connection with qualifying as an ordinary course professional pursuant to the Ordinary Course Professionals Order. These services and expenses were detailed in the First Interim Allowance

Application. Accordingly, Applicant will not burden the Court with a repetition of such detail. Information concerning the First Interim Period is included on Exhibits A and B hereto.

V. THE COMPENSATION REQUESTED

13. 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." 11 U.S.C. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement.

14. In the instant case, Katz respectfully submits that the services for which it seeks compensation in this Application were necessary for and beneficial to the Debtors' estates. Katz further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors, its estate, and all parties in interest.

15. In awarding compensation pursuant to sections 330 and 331 of the Bankruptcy Code to professional persons employed under sections 327 or 1003 of the Bankruptcy Code, the Court must take into account, among other factors, the cost of comparable non-bankruptcy services. The legislative history of this section aptly explained the need to provide for compensation comparable to other non-bankruptcy legal services:

The effect of [section 330] is to overrule...cases that require fees to be determined base on notions of conservation of the estate and economy of administration. If [those] cases were allowed to stand, attorneys that could earn much higher incomes in other fields would leave the bankruptcy arena. Bankruptcy specialists, who enable the system to operate smoothly, efficiently, and expeditiously, would be drive elsewhere, and the bankruptcy field would be occupied by those who could not find other work and those who practice bankruptcy law only occasionally almost as a public service. Bankruptcy fees that are lower than fees in other areas of the legal profession may operate properly when the attorney's appearing in bankruptcy cases do so intermittently, because a low fee in a small segment of a practice can be absorbed by other work. Bankruptcy specialists, however if required to accept fees in all 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. 1st Sess. 329-30 (1977). See also 124 Cong. Rec. H11,091-92 (daily ed. Sept. 28, 1978); S17,408 (daily ed. Oct. 6, 1978).

16. The professional services rendered by Katz during the Final Allowance Period have required an expenditure of substantial time and effort: 358.80 recorded hours during the First Interim Period and 31.20 recorded hours during the Second Interim Period.

17. Katz respectfully submits that application of the foregoing criteria justifies the compensation requested in this Application.

18. Katz encountered complex and difficult legal problems during the course of the Final Allowance Period, involving many areas of legal expertise in various areas of litigation. The professional services rendered in those matters have been performed by attorneys with broad expertise and high levels of skill in their practice areas or specialty. These highly professional and expert attorneys have ensured that the Debtors' case has progressed in an efficient manner.

19. During the Final Allowance Period, Katz has been required to furnish extensive services that have often fully occupied the time of its attorneys, frequently to the preclusion of other firm matters and clients. If this was not a case under the Bankruptcy Code, Katz would charge the Debtors and expect to receive on a current basis, an amount at least equal to the amounts requested herein for the professional services rendered. Pursuant to the criteria normally examined in bankruptcy cases, and based upon the factors to be considered in accordance with sections 330 and 331 of the Bankruptcy Code, the results that have been achieved during the Final Allowance Period more than substantiate charges in that amount. The services that Katz has rendered have produced benefits which have inured to the Debtors their estates and their creditors.

20. In view of the foregoing, Katz respectfully requests that it be allowed reasonable interim compensation during the Second Interim Period in the amount of \$10,920.00 and Final Compensation in the amount of \$121,095.00 (inclusive of the \$110,175.00 previously awarded by this Court for the First Interim Period and the \$10,920.00 sought by this Second Interim Application) for services rendered in connection its representation of the Debtors.

VI. DISBURSEMENTS

21. As set forth in Exhibit "B" hereto, Katz actually and necessarily incurred \$6,750.25 in expenses in providing professional services during the Final Allowance Period consisting of \$6,388.88 during the First Interim Period and \$361.37 during this Second Interim Period.

22. With respect to photocopying expenses, Katz charges all of its clients \$.25 per page for in-house photocopying expenses. However, upon the direction of an attorney in the office of the United States Trustee, Katz has reduced its charge for in-house photocopying expenses to \$.10 per page. With respect to facsimile expenses, Katz charges its clients for both incoming and outgoing facsimile transmissions. However, upon review of the Guidelines, it has only charged the Estate for outgoing long distance facsimile transmissions at \$1.25 per page. These costs are not incorporated into the Katz hourly billing rates. Only clients who actually use photocopying, facsimile and other office services of the types set forth in Exhibit B are separately charged for such service. The effect of including such expenses as part of the hourly billing rate would impose that cost upon clients who do not require extensive photocopying, facsimile and document production facilities and services. The amount of the standard photocopying and facsimile charge is intended to allow Katz to cover the related expenses of its photocopying and telecopying service.

23. In addition, due to the exigent nature of the matters Katz handled for Debtors, same day and overnight deliver of documents and other materials was required at times as a result of deadlines and/or emergencies necessitating the use of such express services. These disbursements are not included in Katz's overhead for the purpose of setting billing rates.

24. Katz has made every effort to minimize its disbursements in this case. 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.

VII. CONCLUSION

25. The legal services summarized by this application and rendered by Katz to the Debtors during the Second Interim Period and during the Final Allowance Period were substantial, professional, and beneficial to the Debtors. They were reasonable and necessary to the preservation and maximization of the Debtors' estates.

26. As noted above, the amounts sought by Katz consist only of actual and reasonable billable time expended by attorneys (\$121,095.00 during the Final Allowance Period consisting of \$110,175.00 during the First Interim Period and \$10,920.00 during the Second Interim Period) and actual and necessary disbursements made by Katz (\$6,750.25 during the Final Allowance Period consisting of \$6,388.88 during the First Interim Period and \$361.37 during the Second Interim Period). As demonstrated throughout this Application and the First Interim Application, the other factors typically considered in determining compensation--including complexity, results achieved, special expertise, magnitude of the matter, and professional standing--all militate toward the conclusion that the amount of compensation requested by Katz is necessary, fair and reasonable.

27. In light of (a) the complexity of these matters, (b) the results achieved, (c) the significant contributions made and time devoted, often under severe time constraints and to the preclusion of other matters, (d) awards of compensation in similar cases, and (e) other factors pertinent to the allowance of compensation, Katz believes that the compensation sought herein is fair and reasonable and is authorized under the relevant provisions of the Bankruptcy Code and the Guidelines.

28. All services for which compensation is sought were performed for and on behalf of the Debtors and their estates and not on behalf of any other creditor or party in interest. Katz is charging its standard hourly rate for professionals performing services. No payments have heretofore been made or promised to Katz for services rendered or to be rendered, in connection with these cases, except as described in his Application. Katz has not entered into any agreement, express or implied, with any other party in interest for the purpose of fixing or sharing fees or other compensation to be paid for professional services rendered in this case.

EXHIBIT "A"

INFORMATION RE PROFESSIONALS AND BILLING SUMMARY

NAME/ STATUS	YEAR OF LAW DEGREE	RATE PER HOUR *	FIRST INTERIM PERIOD HOURS	FIRST INTERIM FEE TOTAL	SECOND INTERIM PERIOD HOURS	SECOND INTERIM FEE TOTAL	FINAL (TOTAL) HOURS	FINAL TOTAL FEES
IRA BENJAMIN KATZ, MEMBER SINCE 1988	1977	\$350	121.8	\$42,630	31.20	\$10,920	153.0	\$53,550
FRANKLIN MICHAELS , JR., ASSOCIAT E 2000-2003	1982	\$285	237.0	\$67,545	0	0	237.0	\$67,545
TOTAL			358.8	\$110,175	31.20	\$10,920	390	\$121,095

*Billing Rate Pursuant to Agreement with Client

EXHIBIT "B"

LAW OFFICES OF IRA BENJAMIN KATZ
A PROFESSIONAL CORPORATION
Counsel to Global Crossing Ltd. et al.
Debtors and Debtors-in-Possession

Actual and Necessary Expenses Incurred In Connection with Services Rendered as Special Counsel

Description	Amount(s)		
	1 st Interim Period 01/28/02-3/31/03	2 nd Interim Period 4/1/03-12/9/03	Final Period (TOTAL)
In house copy costs @ .10 pp	\$142.30	\$118.00	\$260.30
Printing Services	58.29		58.29
Outside Messenger Service	792.75		792.75
Outgoing Long Distance Faxes @ \$1.25 pp	1,015.00	120.75	1,088.75
Filing/Recording Fees	400.20		400.20
Overnight Mail	312.76	101.86	414.62
Postage	41.33	20.76	62.09
Parking and Mileage	106.28		106.28
Sheriff Fees	120.00		120.00
Attorney service charges for obtaining certified copy of documents	179.07		179.07
Parasec charge for obtaining copies of Secretary of State documents	496.25		496.25
Tape of hearing	20.00		20.00
Transcript of hearing	368.00		368.00
J Wehr expert witness invoices	384.50		384.50
Court Reporter/Witness Fees	<u>1,952.15</u>	<u> </u>	<u>1,952.15</u>
Total:	\$6,388.88	\$361.37	\$6,750.25

IRA BENJAMIN KATZ (California State Bar #81007)
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Attorneys for GLOBAL CROSSING BANDWIDTH, INC. Et al.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re)	CHAPTER 11
)	Case Nos. 02-40187 (REG)
GLOBAL CROSSING, LTD., et al.)	through 02-40241 (REG)
)	02-11982 (REG)
Debtors)	(Jointly Administered)
_____)	CERTIFICATION

I, Ira Benjamin Katz, hereby certify as follows;

1. I am a member of the Law Offices of Ira Benjamin Katz, A Professional Corporation ("Katz") counsel for Global Crossing, Ltd. and the affiliated debtors and debtors-in-possession herein (collectively, the "Debtors") and am responsible for Katz's representation of the Debtors and 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") (Local Guidelines and the UST Guidelines are collectively referred to as the "Guidelines").

2. I have read Katz's "Second Interim (April 1, 2003 Through December 9, 2003) and Final (January 28, 2002 Through December 9, 2003) Application of Law Offices of Ira Benjamin Katz, a Professional Corporation as Special Litigation Counsel for Global Crossing, Ltd. Et Al.,

for Allowance of Compensation for Professional Services Rendered and for Reimbursement of Expenses Actually and Necessarily Incurred” (the “Application”).

a. To the Best of my knowledge, information and belief formed after reasonable inquiry, the Application complies with the Guidelines.

b. To the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Guidelines.

c. The fees and disbursements sought in the Application are billed at rates in accordance with practices customarily employed by Katz and generally accepted by Katz.

3. Copies of the Application will be sent to those parties entitled to a copy at least twenty (20) days before the hearing at which the Application will be considered by the Court.

4. To the best of my knowledge, information and belief, with respect to the disbursements for which reimbursements is sought: (i) Katz does not make a profit on such disbursements; (ii) Katz does not include in the amount for which reimbursement is sought the amortization of the cost of an investment, equipment or capital outlay; and (iii) Katz requests reimbursements only for the amount billed to Katz by the third-party vendor and paid by it to such vendor.

5. With respect to photocopying (charge at 10 cents per page) and facsimile transmission expenses, Katz charges do not exceed the maximum rate set by the Fee Guidelines (there is no charge for incoming facsimile transmissions). These charges are intended to cover Katz's direct operating costs for photocopying and facsimile facilities, which costs are not incorporated into the Katz hourly billing rates. Only clients who actually use photocopying, facsimile, and other such office services are separately charged for the same. The effect of including such expenses as part of the hourly billing rates would impose that cost upon clients who do not require extensive photocopying, facsimile and document production facilities and services.

6. In addition, same day and overnight delivery of documents and other materials was often required as a result of deadlines necessitating the use of such express services. These disbursements are not included in Katz's overhead for the purpose of setting billing rates. Katz

has made every effort to minimize its disbursements in this case. The actual expenses incurred in providing professional services were absolutely necessary, reasonable and justified under the circumstances to serve the needs of the case.

DATED: February 6, 2004 LAW OFFICES OF IRA BENJAMIN KATZ,
A PROFESSIONAL CORPORATION

By: /s/
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