

Hearing Date: January 7, 2003 at 9:45 am  
Objection Deadline: December 31, 2002 at 4:00 pm

Kenneth D. Gartrell  
164 West Newton Street  
Boston, Massachusetts 02118

Consultant to the Debtor

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

-----X  
In re :  
 : Chapter 11 Case No.  
 :  
GLOBAL CROSSING LTD., et al., :  
 : 02-40188 (REG)  
 :  
 :  
Debtors. : (Jointly Administered)  
 :  
 :  
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**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**

**FIRST INTERIM APPLICATION**

**NAME OF APPLICANT:** Kenneth D. Gartrell  
**TIME PERIOD:** June 1, 2002 through September 30, 2002  
**ROLE IN THE CASE:** Consultant to the Debtor  
**CURRENT APPLICATION:** Total Fees Incurred \$13,600.00  
Expenses Requested: \$0.00  
**PRIOR APPLICATION:** None

**SUMMARY OF HOURS BILLED**

| <b>Total Hours</b> | <b>Bill Rate</b> | <b>Total Compensation</b> |
|--------------------|------------------|---------------------------|
| 32.00              | 425.00           | \$13,600.00               |

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**First Interim Application of Kenneth D. Gartrell, As Consultant To Debtor,  
For Allowance And Payment Of Compensation For Professional Services Rendered  
From June 1, 2002 Through September 30, 2002**

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

Kenneth D. Gartrell (“Dr. Gartrell”), forensic accounting consultant to Global Crossing Ltd. (“Global Crossing” or the “Debtor”), working with The Brattle Group, Inc., (“The Brattle Group”) in the above-captioned case, hereby applies for the interim allowance of compensation for professional services he performed during the period June 1, 2002 through September 30, 2002 (“Compensation Period”). In support of this First Interim Fee Application, Dr. Gartrell respectfully represents as follows.

**SUMMARY OF PROFESSIONAL COMPENSATION  
AND REIMBURSEMENT OF EXPENSES REQUESTED**

1. This is Dr. Gartrell's first interim application for approval for payment of professional fees pursuant to his role as forensic accounting consultant to Debtor. This First Interim Fee Application has been prepared in accordance with sections 330 and 331 of Title 11 of the U.S. Bankruptcy Code ("Bankruptcy Code"), Rule 2016 of the Federal Rules of Bankruptcy, 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."

2. Dr. Gartrell seeks allowance of one hundred percent (100%) of the interim compensation for the 32.0 hours of professional services he rendered to the Debtor during the Compensation Period. Dr. Gartrell's hourly billing rate for services performed is \$425.00. Dr. Gartrell thus seeks allowance of interim compensation in the aggregate amount of \$13,600.00.

3. The fees Dr. Gartrell charged in this matter are billed in accordance with his existing billing rate and procedures in effect during the Compensation Period. The

rate charged for the services he rendered in this matter is the same rate he charges for services rendered in comparable nonbankruptcy related matters. His fees are consistent with those prevailing for similar services of consultants of reasonably comparable skill and reputation for nonbankruptcy clients.

4. There is no agreement or understanding between Dr. Gartrell and any other person for the sharing of compensation to be received for services rendered in these cases.

5. All of Dr. Gartrell's services during the Compensation Period are in furtherance of the discrete task for which he was retained: Accounting Issues Investigation. No time was charged during the Compensation Period for services performed in connection with either Dr. Gartrell's retention or billings.

6. Dr. Gartrell maintains records of the time spent on this matter. A copy of these time records (the "Time Records") will be furnished to the Court and the United States Trustee for the Southern District of New York (the "U. S. Trustee"), and have previously been furnished to the Debtor, the U.S. Trustee, the attorneys for the statutory committee of unsecured creditors appointed in Debtor's chapter 11 cases, the Joint Provisional Liquidators and their attorneys, and the attorneys for the Debtor's prepetition lenders in connection with Dr. Gartrell's monthly fee statements.

7. Dr. Gartrell has not received any retainer amount to be applied against payment for services to be rendered and expenses incurred on behalf of the Debtor.

8. Although Dr. Gartrell's monthly fee statements for the Compensation Period requested payment of only eighty percent (80%) of the fees charged, he received payment for one hundred percent (100%) of the professional fees for services rendered

during August, 2002 (\$7,437.50). As of the date of this Application, Dr. Gartrell has not received any payment for his work in September, 2002.

### **BACKGROUND OF THE CASE**

9. On January 28, 2002, the Debtor and its affiliated entities, except GT U.K. Ltd. (“GTUK”) commenced a case under chapter 11 of Title 11 of the Bankruptcy Code. GTUK commenced its chapter 11 case on April 24, 2002. The Debtor and its affiliated entities continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Dr. Gartrell respectfully relies on the description of the status of the case that may be provided by Debtor’s general bankruptcy counsel, Weil, Gotschal & Manges LLP.

10. In order to conduct an independent investigation into allegations concerning Debtor’s accounting practices, financial disclosures and related matters (“Accounting Issues”), Debtor’s Board of Directors formed a Special Committee, and thereafter retained Coudert Brothers LLP (“Coudert”) as special counsel to assist the Special Committee with specific legal expertise in corporate investigations to conduct the required independent legal investigation.

11. To perform its services, Coudert required the assistance of industry experts. By order dated October 22, 2002, *nunc pro tunc* to May 31, 2002, the Court approved the Debtor’s retention of Dr. Gartrell as an expert on forensic accounting working with The Brattle Group.

## **SUMMARY OF PROFESSIONAL SERVICES**

12. Given the discrete nature of Dr. Gartrell's engagement, all of his services during the Compensation Period fall within one activity category: Accounting Issues Investigation. During the Compensation Period, as requested by Coudert and working with The Brattle Group, Dr. Gartrell participated in The Brattle Group's analyses of certain of the business transactions that were being investigated. As Dr. Gartrell's Time Records reflect, Dr. Gartrell reviewed and analyzed The Brattle Group's analysis of the transactions, and advised The Brattle Group and Coudert on the same.

13. Dr. Gartrell respectfully submits that the compensation requested for services he performed for Debtor during the Compensation Period is fully justified and reasonable based on: (a) the complexity of the issues presented by the tasks Dr. Gartrell performed with The Brattle Group during the Compensation Period; (b) the high level of services Dr. Gartrell provided to Debtor; (c) Dr. Gartrell's experience, reputation and ability; and (d) the customary fee charged by Dr. Gartrell in non-bankruptcy situations for rendering similar services. Dr. Gartrell also respectfully submits that the consultation he has provided on the Accounting Issues have been necessary and in the best interest of the Debtor and the estate and have furthered the goals of all parties in interest.

## **THE REQUESTED COMPENSATION SHOULD BE ALLOWED**

14. 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).

15. Dr. Gartrell respectfully submits that the services for which he seeks compensation in this First Interim Fee Application were, at the time rendered, believed to be necessary for and beneficial to the Debtor’s investigation of the Accounting Issues. Such services and expenditures were necessary to and in the best interests of the Debtors’ estates. Dr. Gartrell further submits that his services and time expenditures are reasonable in light of the nature and complexity of the transactions that needed to be investigated as part of the investigation of the Accounting Issues, and the time frame in which such services has taken place. Accordingly, approval of the compensation sought herein is warranted.

16. 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, Dr. Gartrell respectfully requests that the Court waive the requirement that it file a memorandum of law in support of this motion.

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

### CONCLUSION

Dr. Gartrell respectfully submits that the services summarized by this First Interim Application and rendered by Dr. Gartrell to the Debtor during the Compensation Period were highly professional and have been beneficial to the Special Committee's investigation of the Accounting Issues. For the reasons stated above, Dr. Gartrell submits that the compensation requested and the reimbursement of expenses incurred is necessary, fair and reasonable.

WHEREFORE, Dr. Gartrell respectfully requests that this Court enter an order:

(a) granting interim allowance of the compensation for professional services he rendered as consultant to the Debtor during the period June 1, 2002 through and including September 30, 2002, in the amount of \$32,600.00;

(b) directing payment to Dr. Gartrell of such amounts representing the portion of Dr. Gartrell's compensation requested in "(a)" that is unpaid or withheld by the Debtor; and

(c) granting such other and further relief as this Court deems just and proper.

Dated: November 22, 2002

By:

/s/ Kenneth D. Gartrell, Ph.D.  
Kenneth D. Gartrell, Ph.D.

Hearing Date: January 7, 2003 at 9:45 am  
Objection Deadline: December 31, 2002 at 4:00 pm

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Consultant to the Debtor

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**Debtors.** : **(Jointly Administered)**  
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**CERTIFICATION**

I, Kenneth D. Gartrell, hereby certify that:

(1) I have personal knowledge of the matters set forth below, except where stated as based on information and belief, and as to such matters, I believe them to be true.

(2) This certification is made in respect of my application, dated November 22, 2002 (the "First Interim Fee Application"), for interim compensation and reimbursement of expenses for the period commencing June 1, 2002 through and including September 30, 2002 in accordance with the Guidelines.

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

(a) I have read the First Interim Fee Application;

- (b) to the best of my knowledge, information, and belief formed after reasonable inquiry, the fees sought fall within the Local Guidelines;
- (c) the fees sought are billed at the rate that I customarily employ and that is generally accepted by my clients; and

(4) In respect of section B.2 of the Local Guidelines and as required by the Administrative Order, I certify that within twenty (20) days of the order approving my retention, on November 1, 2002, and November 6, 2002, I caused the monthly fee statements for the preceding months to be delivered to Debtor, as well as to the U.S. Trustee and the attorneys for the statutory committee of unsecured creditors appointed in Debtor's chapter 11 cases, the Joint Provisional Liquidators and their attorneys and the attorneys for the Debtor's prepetition lenders.

(5) In respect of section B.3 of the Local Guidelines, I certify that the Debtor, the United States Trustee for the Southern District of New York, the attorneys for the statutory committee of unsecured creditors appointed in Debtor's chapter 11 cases, the Joint Provisional Liquidators and their attorneys, and the attorneys for the Debtor's prepetition lenders are being provided with a copy of the First Interim Fee Application.

Dated: November 22, 2002

By:

/s/ Kenneth D. Gartrell, Ph.D.  
Kenneth D. Gartrell, Ph.D.