

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

Consultant to the Debtor

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

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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**

**SECOND INTERIM APPLICATION**

**NAME OF APPLICANT:** Kenneth D. Gartrell  
**TIME PERIOD:** October 1, 2002 through March 31, 2003  
**ROLE IN THE CASE:** Consultant to the Debtor  
**CURRENT APPLICATION:** Total Fees Incurred \$1,275.00  
Expenses Requested: \$0.00  
**PRIOR APPLICATION:** Fees Previously Requested: \$13,600.00  
Fees Previously Awarded: \$10,880.00  
Expenses Previously Requested: 0  
Expenses Previously Awarded: 0

**SUMMARY OF HOURS BILLED**

<b>Total Hours</b>	<b>Bill Rate</b>	<b>Total Compensation</b>
3.00	425.00	\$1,275.00

Hearing Date: July 8, 2003, at 9:45 a.m.  
Objection Deadline: TBD

Kenneth D. Gartrell  
164 West Newton Street  
Boston, MA 02118  
Telephone: 617-267-7870  
Facsimile: 617-536-1617

Consultant to the Debtor

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 : **(Jointly Administered)**  
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**Debtors.** :  
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**KENNETH D. GARTRELL'S SECOND INTERIM APPLICATION  
FOR ALLOWANCE AND PAYMENT OF COMPENSATION  
AND REIMBURSEMENT OF EXPENSES**

**(FOR THE PERIOD OCTOBER 1, 2002 THROUGH MARCH 31, 2003)**

TO THE HONORABLE ROBERT E. GERBER, UNITED STATES BANKRUPTCY JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, THE DEBTOR, AND OTHER PARTIES IN INTEREST:

Kenneth D. Gartrell ("Dr. Gartrell"), economic consultant expert to Global Crossing Ltd. ("Global Crossing" or the "Debtor") in connection with The Brattle Group, in the above-captioned case, in accordance with sections 330 and 331 of Title 11 of the

U.S. Bankruptcy Code (“Bankruptcy Code”), and Rule 2016 of the Federal Rules of Bankruptcy, hereby applies for the interim allowance of compensation for professional services performed during the period October 1, 2002 through March 31, 2003 (the “Application Period”), and for reimbursement of its actual and necessary expenses incurred during the Application Period. In support of his Second Interim Application, Dr. Gartrell respectfully represents as follows.

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

1. This Application has been prepared 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.”

2. Dr. Gartrell seeks allowance of one hundred percent (100%) of the interim compensation for 3 hours of professional services rendered to the Debtor during the Application 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 \$1,275.00.

3. 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.

4. Dr. Gartrell's regular hourly rate is consistent with those prevailing in the consulting industry for similar services of economic consultants of reasonably comparable skill and reputation for clients who are not in bankruptcy.

5. All of Dr. Gartrell's services during the Application Period are in furtherance of case administration. No time was charged during the Application Period for services performed in connection with either Dr. Gartrell's retention or billings.

8. Dr. Gartrell maintains records of the time spent on this matter, consisting of a daily breakdown of the time spent on each day. 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").

9. 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.

10. To the extent that charges for disbursements incurred relate to the Application Period, but were not processed prior to the preparation of this Application, Dr. Gartrell reserves the right to request reimbursement of such expenses in a future application.

## **BACKGROUND OF THE CASE**

11. 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.

12. 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. Coudert’s retention was approved by the Court by order dated June 19, 2002, *nunc pro tunc* to April 15, 2002.

13. 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 academic expert working in conjunction with The Brattle Group, Inc.

## **SUMMARY OF PROFESSIONAL SERVICES**

14. During the Application Period, as requested by Coudert, Dr. Gartrell participated in the economic and financial analyses of certain of the transactions that were being investigated. Dr. Gartrell’s work included analyses of the economic and

business justification associated with these transactions and the accounting and financial reporting of these transactions. Dr. Gartrell examined contemporaneous Global Crossing documents associated with these transactions as well as analyzed industry and financial, capacity and pricing trends and issues facing Global Crossing and the telecommunications industry contemporaneously with the time period under review. These services are described in the Time Records of Dr. Gartrell.

15. Dr. Gartrell respectfully submits that the compensation requested for services performed by him for the Debtor during the Application Period is fully justified and reasonable based on: (a) the complexity of the issues presented by the tasks the Debtor requested Dr. Gartrell to perform during the Application Period; (b) the high level of services provided by Dr. Gartrell to the Debtor; (c) his experience, reputation and ability in rendering the services; 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 to the Debtor or on its behalf 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**

16. 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).

17. Dr. Gartrell respectfully submits that the services for which he seeks compensation in this Second Interim Fee Application were, at the time rendered, believed to be necessary for and beneficial to Debtor’s investigation of the Accounting Issues. Such services and expenditures were necessary to and in the best interests of 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. Accordingly, approval of the compensation sought herein is warranted.

18. 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 he file a memorandum of law in support of this motion.

19. 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 Second 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 October 1, 2002 through and including March 31, 2003, in the amount of \$1,275.00;

(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: May 30, 2003

By: /s/ *Kenneth D. Gartrell*

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Kenneth D. Gartrell

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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 May 30, 2003 (the "Second Interim Fee Application"), for interim compensation and reimbursement of expenses for the period commencing October 1, 2002 through and including March 31, 2003 in accordance with the Guidelines.
- (3) In respect of Section B.1 of the Local Guidelines, I certify that:
  - (a) I have read the Second 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;

(4) In respect of section B.2 of the Local Guidelines and as required by the Administrative Order, I certify that I caused the monthly fee statements for the Compensation Period 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 by the 20<sup>th</sup> of the month following the month for which the covered services were rendered.

(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 Second Interim Fee Application.

Dated: May 30, 2003

*/s/ Kenneth D. Gartrell*

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Kenneth D. Gartrell

## October 2002 Time Log for Kenneth D. Gartrell

Date	Task	Time
10/15/2002	contract revisions, fee applications, time and billing work	1.00

## November 2002 Time Log for Kenneth D. Gartrell

<b>Date</b>	<b>Task</b>	<b>Time</b>
11/10/02	consultation on accounting issues	1.00
11/23/02	consultation on accounting issues	1.00