

CSD 1181 [01/01/02]

Name, Address, Telephone No. & I.D. No.

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UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF CALIFORNIA
325 West "F" Street, San Diego, California 92101-6991

In Re Leap Wireless International, Inc. and
Cricket Communications, Inc. et al.

BANKRUPTCY NO. 03-03470-All through
03-03535-All

Tax I.D./S.S. #:

Debtor.

NOTICE OF HEARING AND MOTION

TO THE DEBTOR, ALL CREDITORS AND OTHER PARTIES IN INTEREST:

YOU ARE HEREBY NOTIFIED that on December 11, 2003, at 10:30 a.m., in Department 2, Room _____, of the Jacob Weinberger United States Courthouse, located at 325 West "F" Street, San Diego, California 92101-6991, there will be a hearing regarding the Motion of PricewaterhouseCoopers LLP for [check the appropriate box]:

- Dismissal of a chapter 7, 11 or 12 case;
- Conversion of a chapter 7, 11 or 12 case by a party other than the debtor;
- Allowance of [interim] [final] compensation or reimbursement of expenses of professionals as provided in Exhibit "A" [information required by Federal Rule of Bankruptcy Procedure 2002(c)(2)];
- Appointment of a trustee in a chapter 11 case; or
- Other [specify the nature of the matter]:

If not required to be attached, a set of the moving papers will be provided, upon request, by the undersigned or may be inspected at the office of the Clerk.

Any opposition or other response to the motion must be served upon the undersigned and the original and one copy of such papers with proof of service must be filed with the Clerk of the U.S. Bankruptcy Court at 325 West "F" St., San Diego, California 92101-6991, NOT LATER THAN FOURTEEN (14)¹ DAYS FROM THE DATE OF SERVICE.

DATED: November __, 2003

Robert A. Klyman /s/

[Attorney for] Moving Party

¹If you were served electronically or by mail, you have three (3) additional days to take the above-stated actions.
CSD 1181

[TO BE INCLUDED IN OR ATTACHED TO FEE NOTICES]

APPLICANT PricewaterhouseCoopers LLP

REPRESENTING [Name & Title]

Leap Wireless International, Inc., et. al.

	FEEES REQUESTED	FEEES ALLOWED	FEEES AUTHORIZED FOR PAYMENT	FEEES HELD BACK	FEEES DISALLOWED	COSTS REQUESTED	COSTS AWARDED
1ST INTERIM 4/13 to 8/31	397,321.00	0	0	0	0	1,298.91	0
2ND INTERIM to							
3RD INTERIM to							
4TH INTERIM to							
TOTALS:	397,321.00	0	0	0	0	1298.91	0

APPLICANT _____ REPRESENTING [Name & Title] _____

	FEEES REQUESTED	FEEES ALLOWED	FEEES AUTHORIZED FOR PAYMENT	FEEES HELD BACK	FEEES DISALLOWED	COSTS REQUESTED	COSTS AWARDED
1ST INTERIM to							
2ND INTERIM to							
3RD INTERIM to							
4TH INTERIM to							
TOTALS:							

1 Please provide an explanation for this disallowance.

2 Please provide an explanation for this disallowance.

1 Richard F. Kalenka
PricewaterhouseCoopers LLP
2 750 B Street, Suite 2900
San Diego, CA 92101
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5
6
7

8 **UNITED STATES BANKRUPTCY COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**

10 In re
11 LEAP WIRELESS INTERNATIONAL, INC.,
12 and CRICKET COMMUNICATIONS, INC., et
al.
13 Debtors.

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17 Fed. Tax Id. Nos. 33-0811062 and 33-0879924
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Case Nos.: 03-03470-A11 through
03-03535-A11

(Jointly Administered)

Chapter 11

**FIRST INTERIM APPLICATION OF
PRICEWATERHOUSECOOPERS LLP,
FOR COMPENSATION FOR
SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES AS
ACCOUNTANTS TO THE DEBTORS
AND DEBTORS IN POSSESSION FOR
THE PERIOD FROM APRIL 13, 2003
THROUGH AUGUST 31, 2003**

Hearing

Date: December 11, 2003

Time: 10:30 a.m.

Place: Department 2

Judge: Hon. Louise DeCarl Adler

1 Name of Applicant: PricewaterhouseCoopers LLP ("PwC").

2 Authorized to Provide Professional Services to: The above-captioned debtors and debtors-in-
3 possession.

4 Date of Retention: July 25, 2003.

5 Period for which Compensation and Reimbursement is Sought: April 13, 2003 through
6 August 31, 2003.

7 Amount of Compensation Sought as Actual, Reasonable and Necessary: \$397,321.00

8 Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary: \$1,298.91

9 This is a: monthly xx__ interim __ final application.

10 The total time expended for preparation of this fee application is approximately
11 232.5 hours and the corresponding compensation requested is approximately \$53,182.50.

12
13 Prior applications filed: None

14 *Summary of Partner and Staff Fees*

<i>Name</i>	<i>Title</i>	<i>Total Hours</i>	<i>Rate</i>	<i>Total Compensation</i>
Athwal, Davinder	National Office Senior Manager	2.00	\$385.00	\$770.00
Banks, Jim	National Office Partner	4.00	674.00	2,696.00
Burton, Grant	Senior Manager	108.00	385.00	41,580.00
Chaney, Michael	Associate	77.00	135.00	10,395.00
Cross, Sharon	Executive Assistant	1.00	50.00	50.00
Cross, Sharon	Executive Assistant	3.50	55.00	192.50
Evans, Lawrence	Partner	3.00	513.00	1,539.00
Fierro, Gloria	Executive Assistant	0.30	60.00	18.00
FitzGerald, Camellia	Associate	69.60	135.00	9,396.00
Freeman, Kelley	Senior Associate	21.00	250.00	5,250.00
Frensley, Mark	Manager	14.80	361.00	5,342.80
Fuller, Scott	Manager	70.50	300.00	21,150.00
Gardner, Douglas	Associate	14.40	135.00	1,944.00

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2	Gergurich, Ted	Senior Associate	129.80	154.00	19,989.20
3	Gergurich, Ted	Senior Associate	19.30	216.00	4,168.80
4	Gergurich, Ted	Senior Associate	14.90	225.00	3,352.50
5	Getz, Brian	Senior Associate	15.50	216.00	3,348.00
6	Gilabert, Diane	Partner	4.30	225.00	967.50
7	Gilabert, Diane	Partner	11.00	366.00	4,026.00
8	Gilabert, Diane	Partner	32.80	500.00	16,400.00
9	Gilabert, Diane	Partner	114.90	513.00	58,943.70
10	Hornsten, Eric	Senior Manager	11.00	385.00	4,235.00
11	Kalenka, Richard	Partner	50.70	500.00	25,350.00
	Kress, Brandon	Associate	26.00	135.00	3,510.00
12	Leedom, Jeff	Director	6.50	385.00	2,502.50
13	Levan, Gary	National Office Partner	6.00	800.00	4,800.00
14	McManus, Rich	Director	20.70	457.00	9,459.90
15	Meisel, Steve	Partner	13.00	500.00	6,500.00
16	Milner, Angela	Executive Assistant	6.00	60.00	360.00
17	Mize, Michael	Senior Associate	1.10	216.00	237.60
18	Myers, Aaron	Associate	5.50	110.00	605.00
19	Pellervo, Pat	National Office Partner	0.80	674.00	539.20
20	Poulson, Steven	Associate	6.50	135.00	877.50
21	Prettyman, James	National Office Senior Manager	12.50	554.00	6,925.00
22	Randolph, Sabrina	Senior Associate	46.40	250.00	11,600.00
23	Redel, Linda	Executive Assistant	12.60	60.00	756.00
24	Rognier, Bryan	Associate	43.50	135.00	5,872.50
25	Samson, Merrilou	Senior Associate	0.20	250.00	50.00
26	Seaway, William	Senior Manager	1.00	457.00	457.00
27	Sehgal, Akash	Manager	6.00	361.00	2,166.00
28	Shoji, Byron	Senior Manager	7.20	457.00	3,290.40

1	Skedd, Sandra	Associate	49.50	135.00	6,682.50
2	Speer, Peter	National Office Senior Manager	1.30	385.00	500.50
3	Spence, Diana	Associate	77.90	110.00	8,569.00
4	Stensrud, Eric	Manager	2.70	300.00	810.00
5	Wagner, Steven	Director	2.90	327.00	948.30
6	Wagner, Steven	Director	18.00	385.00	6,930.00
7	Wagner, Steven	Director	73.80	457.00	33,726.60
8	Walton-Hoppe, Elizabeth	Associate	227.30	110.00	25,003.00
9	Walton-Hoppe, Elizabeth	Associate	3.00	225.00	675.00
10	Whisler, Tessa	Senior Associate	3.00	154.00	462.00
11	White, Sarah	Senior Associate	16.50	250.00	4,125.00
12	Wilhite, Katie	Associate	34.40	135.00	4,644.00
13	Zarro, Stephanie	Associate	19.50	135.00	2,632.50

Total Hours 1,544.60 *Total Compensation* \$ 397,321.00

Total fees for the period were \$397,321. Total hours were 1,544.60. PwC's blended hourly rate for the period was \$257.23.

COMPENSATION BY PROJECT CATEGORY

Project Category	Total Hours	Total Fees Requested
Financial Statement Audits	45.7	\$11,088.50
Quarterly Reviews of Interim Financial Statements	472.7	129,020.00
Tax Compliance Services	480.6	64,647.50
Tax Consulting and Advisory Services	298.1	133,032.50
Other Accounting and Auditing Services	15.0	6,350.00
Compensation of Professionals – Self	232.5	53,182.50
TOTAL	1,544.6	\$397,321.00

1
2 **EXPENSE SUMMARY**

3

Expense Category	Total Expenses
4 Business Meals (including travel meals)	\$550.91
5 Transportation	539.00
6 Lodging	\$0
7 Other (including direct charges for postage, telephone, etc.)	209.00
TOTAL	\$1,298.91

8
9 Pursuant to Section 327(a) of Title 11 of the United States Code (the "Bankruptcy Code"),
10 Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and
11 the Court's Order on Application for Authority to Employ PricewaterhouseCoopers LLP
12 ("PwC") as Accountants to the Debtors, entered on July 25, 2003 (the "Order"), PwC
13 hereby files this Application of PricewaterhouseCoopers LLP for Compensation for
14 Services Rendered and Reimbursement of Expenses as Accountants to the Debtors for the
15 Period from April 13, 2003 through August 31, 2003 (the "Application"). By this
16 Application, PwC seeks compensation in the amount of \$397,321 and reimbursement of
17 actual and necessary expenses in the amount of \$1,298.91 for the period April 13, 2003
18 through August 31, 2003 (the "Interim Period"). In support of this Application, PwC
19 respectfully represents as follows:

20 **Background**

- 21 1. Leap Wireless International, Inc. ("Leap"), a Delaware corporation, together with its
22 wholly owned subsidiaries, is a wireless communications carrier that offers digital wireless
23 service in the United States under the brand "Cricket[®]." Leap conducts operations through its
24 subsidiaries. Leap has no independent operations or sources of operating revenue other than
25 through dividends, if any, from its operating subsidiaries. Cricket service is operated by Leap's
26 indirect wholly owned subsidiary, Cricket Communications, Inc. ("Cricket"), a wholly owned
27 subsidiary of Cricket Communications Holdings, Inc. ("Cricket Communications Holdings").
28 2. On April 13, 2003 (the "Petition Date"), Leap, Cricket and their respective 64

1 under Chapter 11 of the United States Bankruptcy Code (“Chapter 11”) in the United States
2 Court for the Southern District of California (the “Court”) (jointly administered as Case Nos.
3 03-03470-A11 through 03-03535-A11). Each of the debtors continues to manage its properties
4 and operate its business as a “debtor-in-possession” under the jurisdiction of the Court and in
5 accordance with Sections 1107(a) and 1108 of Chapter 11.

6 3. Pursuant to the Order, the Debtors were authorized to employ and retain PwC as of
7 the Petition Date as their Accountants to provide accounting, auditing and tax services on the
8 terms set forth in the Application. The Order authorizes Debtors to compensate PwC in
9 accordance with the procedures set forth in Sections 330 and 331 of the Bankruptcy Code and
10 such Bankruptcy Rules as may then be applicable, from time to time, and such procedures as
11 may be fixed by order of this Court.

12 4. On or about July 30, 2003, the debtors filed their Fifth Amended Joint Plan of
13 Reorganization (the “Plan”) and the accompanying disclosure statement (the “Disclosure
14 Statement”) with the Bankruptcy Court (the “Court”). The Plan was the product of vigorous
15 negotiations between the Company, the informal committee of Cricket’s senior secured vendor
16 debtholders (the “Cricket Informal Creditors’ Committee”), the Official Unsecured Creditors
17 Committee at Leap (the “Leap Official Creditors’ Committee”) and an informal committee of
18 Leap’s noteholders (prior to the formation of the Leap Official Creditors’ Committee). On
19 July 31, 2003, after notice and prior hearings, the Court approved the Disclosure Statement,
20 and the debtors then mailed the Plan and accompanying Disclosure Statement to, and began
21 soliciting approval of the Plan from, those creditors entitled to vote on the Plan. The Court held
22 a confirmation hearing and confirmed the Plan by order dated October 22, 2003 . A Notice of
23 Appeal of the confirmation order was filed by MCG PCS, Inc. (“MCG”), Leap’s largest
24 shareholder, on October 24, 2003.

25 5. On May 15, 2003, the Debtors filed their March 31, 2003 condensed consolidated
26 interim financial statements with the Securities and Exchange Commission (“SEC”) on Form
27 10-Q. On September 23, 2003, the Debtors filed their June 30, 2003 condensed consolidated
28 interim financial statements with the SEC on Form 10-Q.

1 6. In April 2003, PwC commenced its quarterly review of the Debtors' condensed
2 consolidated interim financial statements for the period ended March 31, 2003.

3
4 **Compensation Paid and Its Source**

5 7. All Services for which PwC requests compensation were performed for or on
6 behalf of the Debtors.

7 8. Except for the amounts paid to PwC as a retainer prior to the Debtors' Chapter 11
8 filings, constituting \$60,604 for tax compliance services, PwC has received no payment and no
9 promises for payment from any source for services rendered or to be rendered in any capacity
10 whatsoever in connection with the matters covered by this Application. The retainer of \$60,604
11 will be drawn down before any fees for tax compliance services, described in Category C
12 below, are invoiced to the Debtors. There is no agreement or understanding between PwC and
13 any other person other than the partners of PwC for the sharing of compensation to be received
14 for services rendered in these cases.

15 9. As provided in the Order, all audit and review fees, included in Categories A and B
16 below, and related expenses shall not exceed \$75,000 per month for the months of April 2003
17 through January 2004.

18
19 **Fee Statements**

20 10. To the best of PwC's knowledge, this Application complies with Sections 330 and
21 331 of the Bankruptcy Code, the Bankruptcy Rules, and the Order. PwC's time reports are
22 initially handwritten or typewritten by the partner or staff member performing the described
23 services. The time reports are organized on a daily basis. PwC is particularly sensitive to
24 issues of "lumping," and unless time was spent in one time frame on a variety of different
25 matters for a particular client, separate time entries are set forth in the time reports. PwC's
26 charges for its professional services are based upon the time, nature, extent and value of such
27 services and the cost of comparable services other than in a case under the Bankruptcy Code.

1 **Actual and Necessary Expenses**

2 11. A detail of actual and necessary expenses incurred by PwC for the Interim Period is
3 attached hereto as Exhibit B.
4

5 **Summary of Services Rendered**

6 12. Numerous PwC professionals rendered professional services in these cases during
7 the Interim Period. A complete listing of all partners and staff members who have rendered
8 professional services in these cases for which PwC seeks compensation and their hourly rates is
9 attached as Exhibit C. The compensation is based on the customary compensation charged by
10 comparably skilled practioners in cases other than Chapter 11. PwC, by and through the these
11 professionals, has performed all necessary professional services which are described and
12 narrated in detail below.
13

14 **Summary of Services by Project**

15 The services rendered by PwC during the Interim Period can be grouped into the categories
16 set forth below. PwC summarizes its services in categories applicable to accountants and
17 financial advisors that are substantially similar to those recommended in the Trustee's Guide,
18 and the discussion in this section is organized by category. PwC attempted to place the
19 services provided in the category that best relates to such services. However, because certain
20 services may relate to one or more categories, services pertaining to one category may in fact be
21 included in another category.
22

23 The Fee Application Summary (Form 1143) as required by the UST Guidelines, is attached
24 hereto as Exhibit A. These services performed, by categories, are generally described below,
25 with a more detailed identification of the actual services provided set forth on the attached
26 Exhibits E-J. Exhibits E-J contain daily time logs describing the time spent by each partner and
27 staff member during the Interim Period.
28

1 A Personnel Activity Summary, as required by the UST Guidelines, is attached as Exhibit D.
2 This summary sets forth, by activity category, each person's hourly rate and the total amount
3 billed by each person who rendered services, along with the total number of hours and
4 compensation sought for each category.

5
6 **A. Financial Statement Audits**

7 For purposes of this Application, this category relates to certain planning activities
8 conducted for the upcoming audit of Leap's consolidated financial statements for the year
9 ending December 31, 2003.

10
11 Fees: \$11,088.50 Total hours: 45.7

12
13 **B. Quarterly Reviews of Interim Financial Statements**

14 This category relates to services provided in connection with the quarterly reviews of
15 Leap's condensed consolidated interim financial statements for the periods ended March 31,
16 2003 and June 30, 2003.

17
18 PwC conducted reviews of the condensed consolidated balance sheets of Leap and its
19 subsidiaries as of March 31, 2003 and June 30, 2003, and the related condensed consolidated
20 statements of operations for the three-month periods ended March 31, 2003 and 2002 and six-
21 month periods ended June 30, 2003 and 2002 and the condensed consolidated statements of
22 cash flows for the three-month periods ended March 31, 2003 and 2002 and six-month periods
23 ended June 30, 2003 and 2002 for the purpose of determining whether any material
24 modifications should be made to the condensed consolidated interim financial statements for
25 them to conform with accounting principles generally accepted in the United States of America.
26 A review consists of inquiries and analytical review, with a focus on the consistency of
27 accounting policies, management judgments and estimates, and the implementation of new
28 accounting pronouncements.

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The Debtors' businesses have involved certain transactions for which the technical accounting treatment is inherently complex. Establishing the proper accounting treatment for certain matters, including accounting and financial statement presentation while a company is in bankruptcy and the adoption of new accounting pronouncements such as SFAS 143, "Accounting for Asset Retirement Obligations" and SFAS 146, "Accounting for Costs Associated with Exit or Disposal Activities", requires significant research and consultation. In addition, during the quarterly period ended June 30, 2003, the Debtor recorded a significant impairment charge related to its wireless spectrum licenses, which also required significant research and consultation. As such, multiple PwC partners and staff, including senior SEC and technical accounting experts from PwC's national office, are involved in the interim quarterly review procedures and the determination of the accounting treatment for these complex transactions.

In addition, because of certain deficiencies in Leap's internal control structure, which matters are noted in Item 14 of Leap's Annual Report on Form 10-K/A for the year ended December 31, 2002, additional inquiries and analytical procedures are required to establish the reasonableness of certain management judgments and estimates. Management judgments and estimates requiring increased attention during the quarterly review include revenue recognition for customers who pay in arrears and inventory reserves. The internal control deficiencies noted by Leap in its 2002 Form 10-K/A are as follows:

- Improvements are required in Leap's internal controls over the tracking and valuation of its network assets in order to be able to monitor and account for the movement or abandonment of assets on a timely basis.
- Improvements are required in Leap's internal controls over the tracking and valuation of inventory held at third-party dealers and distributors, including processes to cycle count or otherwise verify quantities on a systematic basis in order to ensure the reasonable accuracy of Leap's inventory balances.

- 1
- 2 • Improvements are required to Leap's information systems to allow it to systematically
3 recognize revenue in accordance with the provisions of new pricing and payment plans that
4 were adopted during the latter part of 2002. These new pricing and payment plans require
5 Leap to recognize revenue for different classes of customers at different points in time.

6 PwC believes that all fees and expenses incurred to date in the conduct of the interim
7 quarterly reviews have been reasonable and necessary to allow PwC to consent to Leap's
8 filing of its condensed consolidated interim financial statements for the periods ended March
9 31, 2003 and June 30, 2003 with the SEC on Form 10-Q.

10
11 Fees: \$129,020.00 Total hours: 472.7

12
13 **C. Tax Compliance Services**

14 Time billed to this category relates principally to assisting the Debtors with the preparation
15 of their U.S. and state corporation income tax returns for the taxable year ended December 31,
16 2002. The category also includes time for preparation of state estimated tax payments for the
17 taxable year ended December 31, 2003.

18 The Debtors file a consolidated U.S. income tax return and 106 state separate, combined or
19 consolidated tax returns. Additionally, the Debtors are required to file 10 Forms 5471,
20 "Information Return of U.S. Persons with Respect to Certain Foreign Corporations." As of the
21 date of this Application, the Debtors have filed their U.S. consolidated income tax return and all of
22 their required state tax returns. The Debtors filed 58 of the state tax returns by September 15,
23 2003 and the remaining 48 state tax returns by October 15, 2003.

24 The Debtors are required to file certain state estimated tax payments during 2003. During
25 the month of June, PwC prepared seven estimated tax payments for the Debtors.

26 PwC's engagement letter dated March 3, 2003, referenced in the Order, estimated that our
27 fees for compliance services would be \$125,000, but provided that any assistance in gathering
28 information, analyzing data, or formatting and calculating schedules ("Out-of-Scope Services")

1 would be billed as additional fees at a blended rate of \$225 per hour. Our total services of
2 \$64,647.50 in this category include \$ 59,652.50 for the compliance services and \$4,995.00 for
3 Out-of-Scope Services. Our retainer of \$60,604 will be fully absorbed against the total services
4 billed to this category.

5
6 Fees: \$64,647.50 Total hours: 480.6

7
8 **D. Tax Consulting and Advisory Services**

9 Time billed to this category principally relates to advising the Debtors on various federal and
10 state income tax matters related to the planned bankruptcy reorganization, including review
11 of the Plan of Reorganization and Disclosure Statement and advice on certain federal
12 consolidated group tax aspects and certain state tax aspects related to the reorganization.
13 PwC prepared a study to estimate the Debtors' potential cancellation of debt income and
14 reduction of net operating losses ("NOLs") and other tax attributes for federal tax purposes as
15 a result of the Plan of Reorganization. We also determined that neither Cricket nor any of its
16 subsidiaries had an excess loss account under the federal consolidated tax return regulations.
17 In addition, we advised the Debtors regarding the tax consequences that may result from the
18 ownership change (under Internal Revenue Code Section 382) that occurred during 2002, as
19 well as the ownership change that will occur when the Debtors emerge from bankruptcy. We
20 provided advice to the Debtors on similar issues for the five largest states in which the
21 Debtors conduct business. PwC made a presentation to the Debtors summarizing our tax
22 advice.

23
24 PwC reviewed the terms of the 13% Senior Secured Notes to be issued under the Plan of
25 Reorganization and determined that they would be treated as Applicable High Yield Debt
26 Obligations for federal income tax purposes, which causes a portion of the interest expense to
27 be deferred and a portion to be permanently nondeductible.
28

1 PwC provided advice to the Debtors regarding the potential tax consequences under
2 Section 382 if a new shareholder made an investment in Leap, either as a part of the Plan of
3 Reorganization or subsequent to the emergence from bankruptcy. In addition, PwC reviewed
4 the Debtor's analysis of the impact of potential ownership changes under Section 382 after
5 emergence from Bankruptcy.

6
7 PwC consulted with the Debtors regarding calculation of the Debtors' estimated unrealized
8 built-in gain and loss items as of the ownership change date in 2002.

9
10 PwC analyzed the potential impact of Section 280G on certain compensation deductions as a
11 result of the change of control upon emergence from Bankruptcy.

12
13 Fees: \$133,032.50 Total hours: 298.1

14
15 **E. Other Accounting and Auditing Services**

16 This category relates to advisory services provided to Leap with regard to its future obligations
17 under Section 404 of the Sarbanes-Oxley Act. This included providing Leap with a software
18 tool to document its evaluation and testing of internal controls in a structured and efficient
19 manner.

20 In addition, this category relates to advisory services provided to Leap with regard to specific
21 accounting issues in the following areas: (a) accounting and financial reporting while a
22 company is in bankruptcy in accordance with Statement of Position No. 90-7, including
23 whether Leap should continue to consolidate certain subsidiaries, (b) future accounting under
24 the fresh start reporting requirements of Statement of Position No. 90-7, and (c) other future
25 accounting pronouncements, including the adoption of Emerging Issues Task Force No. 00-21
26 in the third quarter of 2003.

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28 Fees: \$6,350.00 Total hours: 15.0

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F. Compensation of Professionals – Self

This category relates to services provided in connection with compiling and reconciling the detailed time and expense reports required by this Court. Numerous PwC partners and staff have participated in this engagement, making management of time and expense reporting more complex than on smaller engagements. PwC believes that its time and expense reporting are in compliance with all applicable rules.

Fees: \$53,182.50 Total hours: 232.5

Valuation of Services

PwC’s partners and staff expended a total of 1,544.6 hours in connection with these cases during the Interim Period for a total cost of \$397,321, resulting in a blended hourly rate of \$257.23. A summary of hours and total compensation and details of the nature of work performed by each persons is fully set forth in Exhibit A attached hereto. These are PwC’s normal hourly rates for work of this character. The reasonable value of the services rendered by PwC to the Debtors during the Interim Period is \$397,321.

In accordance with the factors enumerated in Section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by PwC is fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

Leap Wireless International, Inc. will receive a copy of this Application. A separate Certification approving PwC’s services will be filed.

WHEREFORE, PwC respectfully requests that the Court approve, for the period April 13, 2003 through August 31, 2003, an allowance be made to PwC in the sum of \$397,321 as compensation for necessary professional services rendered, and the sum of \$1,298.91 for reimbursement of actual necessary costs and expenses, for a total of \$398,619.91 and provide PwC such other and further relief as this Court may deem just and proper.

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Dated: November 6, 2003

PRICEWATERHOUSECOOPERS LLP



Richard F. Kalenka

Partner

PricewaterhouseCoopers LLP

750 B Street, Suite 2900

San Diego, CA 92101

Telephone: (619) 744-8000

Facsimile: (619) 744-8400

Accountants for the Debtors and Debtors in Possession

VERIFICATION

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STATE OF CALIFORNIA:

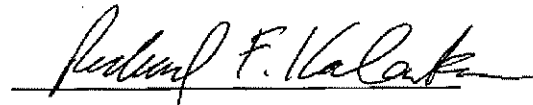
COUNTY OF SAN DIEGO:

Richard F. Kalenka, after being duly sworn according to law, deposes and says:

a) I am a partner in the applicant accounting firm PricewaterhouseCoopers LLP.

b) I have personally performed many of the accounting services rendered by PricewaterhouseCoopers LLP accountants to the Debtors.

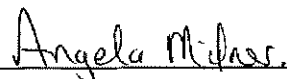
c) I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Sections 330 and 331 of Title 11 of the United States Code, and submit that the Application substantially complies with such rules.



Richard F. Kalenka

SWORN AND SUBSCRIBED

before me this 6th day of November 2003.



Notary Public

My Commission Expires:

January 24, 2007

