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Hearing Date: November 12, 2003

Time: 11:00 a.m.

Counsel for the Official Committee of
Unsecured Creditors of Metromedia Fiber Network, Inc., et al.

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

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In re:

Chapter 11

METROMEDIA FIBER
NETWORK, INC. et al.,

Debtors.

Case Nos.

02-22736 (ASH) through 02-22742 (ASH);
02-22744 (ASH) through 02-22746 (ASH);
02-22749 (ASH); 02-22751 (ASH)
through 02-22754 (ASH)

(Jointly Administered)

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**FOURTH AND FINAL APPLICATION OF CHADBOURNE & PARKE LLP,
AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF METROMEDIA FIBER NETWORK, INC., ET AL.
FOR ALLOWANCE AND APPROVAL OF FEES FOR
SERVICES RENDERED AND EXPENSES INCURRED**

Name of Applicant:	Chadbourne & Parke LLP	
Authorized to Provide Professional Services to:	The Official Committee of Unsecured Creditors of Metromedia Fiber Network, Inc., <u>et al.</u>	
Date of Retention:	May 29, 2002	
Period for Which Allowance and Approval is Sought:	<u>Final Period</u> July 1, 2003 through September 7, 2003	<u>Total Period</u> May 29, 2002 through September 7, 2003
Amount of Compensation Sought as Actual, Reasonable, and Necessary:	\$473,520.00	\$3,335,289.00
Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary:	\$19,297.93	\$189,036.63
Total Hours:	1,276.10	9,452.90
This is a Final Fee Application Three Previous Applications Have Been Made.		

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**FOURTH AND FINAL APPLICATION OF CHADBOURNE & PARKE LLP,
AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF METROMEDIA FIBER NETWORK, INC., ET AL.
FOR ALLOWANCE AND APPROVAL OF FEES FOR
SERVICES RENDERED AND EXPENSES INCURRED**

Chadbourne & Parke LLP ("Chadbourne"), as counsel to the Official Committee of Unsecured Creditors of Metromedia Fiber Network, Inc. et al. (the "Committee"), submits this final application (the "Application") for approval and allowance of compensation for services rendered and reimbursement of expenses incurred. This Application is submitted pursuant to sections 330, 331 and 503(b) of title 11 of the United States Code (the "Bankruptcy Code"), and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and with the Order Pursuant to sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals, dated June 5,

2002 (the "Fee Procedures Order"). Chadbourne requests entry of an order allowing Chadbourne (a) compensation in the amount of \$3,335,289.00 for professional services rendered and (b) reimbursement of expenses incurred in connection therewith in the amount of \$189,036.63,¹ during the period from May 29, 2002 through September 7, 2003 (the "Total Compensation Period"). The amounts requested consist of:

- (i) compensation for professional services rendered during the period July 1, 2003 through September 7, 2003 (the "Final Compensation Period") in the amount of \$473,520.00, and reimbursement of actual and necessary expenses incurred during the Final Compensation Period in the amount of \$19,297.93, which amounts are fully described in this Application;
- (ii) compensation for professional services rendered during the period May 29, 2002 through September 30, 2002 (the "First Interim Period") in the amount of \$1,409,260.00, and reimbursement of actual and necessary expenses incurred during the First Interim Period in the amount of \$123,734.39, which amounts were previously awarded to Chadbourne by this Court pursuant to the First Compensation Order (as defined in this Application);

¹ This amount has been reduced to conform with the Guidelines on the reimbursement of expenses. Accordingly, a credit will be applied to reduce the total amount of reimbursement for expenses sought for Lexis/Westlaw charges. See page 9.

- (iii) compensation for professional services rendered during the period October 1, 2002 through January 31, 2003 (the "Second Interim Period") in the amount of \$640,107.50, and reimbursement of actual and necessary expenses incurred during the Second Interim Period in the amount of \$45,438.03, which amounts were previously awarded to Chadbourne by this Court pursuant to the Second Compensation Order (as defined in this Application);
- (iv) compensation for professional services rendered during the period February 1, 2003 through June 30, 2003 (the "Third Interim Period") in the amount of \$798,019.50, and reimbursement of actual and necessary expenses incurred during the Third Interim Period in the amount of \$22,034.97, which amounts were previously awarded to Chadbourne by this Court pursuant to the Third Compensation Order (as defined in this Application); and
- (v) compensation for fees incurred by Chadbourne for work relating to Review of Secured Facility matter during (a) the Second Interim Period in the amount of \$13,497.50 and (b) the Third Interim Period in the amount of \$884.50.²

In support of the Application, Chadbourne respectfully represents as follows:

² As set forth in Chadbourne's Second and Third Interim Fee Applications, allowance for these fees was not sought at the time of filing the Second and Third Interim Fee Applications. Detail of the work performed on this matter was provided in the Second and Third Interim Fee Applications; and a summary of that work is attached hereto as Exhibit "B."

Background

2. Metromedia Fiber Network, Inc. and certain of its subsidiaries³ (hereinafter, collectively referred to as “Debtors”) filed Voluntary Petitions for relief under Chapter 11 of Title 11, United States Code in this Court on May 20, 2002.

3. The Debtors have continued to operate and manage their businesses and properties as debtors-in-possession pursuant to Bankruptcy Code Sections 1107(a) and 1108.

4. On May 29, 2002, the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed the Committee in these chapter 11 cases. No trustee or examiner has been appointed in these chapter 11 cases.

5. By Order dated and entered August 21, 2003, this Court confirmed the Second Amended Plan of Reorganization of Metromedia Fiber Network, Inc. et al. (the "Plan"). The Plan's Effective Date occurred on September 8, 2003. Thus, the Debtors have emerged from bankruptcy as of September 8, 2003.

³ Metromedia Fiber Network Services, Inc.; AboveNet Communications, Inc.; SiteSmith, Inc.; PAIX.net, Inc.; Metromedia Fiber Network of Illinois, Inc.; MFN Purchasing, Inc.; Metromedia Fiber National Network, Inc.; Metromedia Fiber Network International, Inc.; MFN International, L.L.C.; MFN Japan Backhaul, Inc.; and MFN Europe Finance, Inc.

Jurisdiction and Venue

6. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Standing Order of Referral of Cases to Bankruptcy Judges of the United States District Court for the Southern District of New York (Ward, Acting C.J.), dated July 10, 1984. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (O).

Compliance With Guidelines and Order Governing Applications for Compensation and Reimbursement of Expenses

7. 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") and 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, together with the Local Guidelines, the "Guidelines"). Pursuant to the Local Guidelines, a certification regarding compliance with same is attached hereto as Exhibit "A."

Retention of Chadbourne

8. In accordance with an order of this Court entitled Order, Pursuant to Section 1103(a) of the Bankruptcy Code, Authorizing the Employment and Retention of Chadbourne & Parke LLP as Attorneys for the Official Committee of Unsecured Creditors, Effective as of May 29, 2002 (the "Retention Order"), the Committee was authorized to employ and retain Chadbourne as its attorneys, effective as of May 29, 2002 in these chapter 11 cases.

9. Chadbourne is an international law firm with offices in New York City, Washington, D.C., Los Angeles, Houston, London, Moscow and Beijing and has vast experience in broad-based insolvency including the representation of United States and non-United States banks, investment banks, insurance companies, creditors' committees, indenture trustees and bondholders, chapter 7 trustees, as well as major corporations (both as debtors and creditors). Chadbourne has been actively involved in other major chapter 11 cases, including the representation of official creditors' committees in Spiegel, Inc., Sher Distributing Company, Pocket Telecommunications Inc., Maxwell Newspapers, Inc. (New York Daily News), New York Post, Computer Bay Unlimited, Crown Books Corporation and Wallace's Bookstores; and the representation of the debtor(s) in ATC Group Services, Inc., Magnesium Corporation of America, Chivor, S.A. E.S.P., Canfibre of Riverside, Inc., Acme Metals, Inc. and Harvard Industries, Inc.

10. Members of Chadbourne have written for and lectured extensively before trade, bar and continuing education associations on the subjects of bankruptcy, cross-border insolvency, project finance restructurings, creditors' rights and reorganizations.

Summary of Application

11. Chadbourne seeks compensation for professional services rendered to the Committee during the Final Compensation Period in the aggregate amount of \$473,520.00 and reimbursement of actual and necessary expenses incurred in connection with the rendition of services during the Final Compensation Period in the aggregate amount of \$19,297.93. During

the Final Compensation Period, Chadbourne attorneys and paraprofessionals expended a total of 1,276.10 hours for which compensation is requested.

12. A schedule setting forth the number of hours expended by each of the partners, associates and paraprofessionals of Chadbourne who rendered services to the Committee during the Final Compensation Period, their respective hourly rates, and the year of bar admission for each Chadbourne attorney is attached hereto as Exhibit "C." A schedule specifying the categories of expenses for which Chadbourne is seeking reimbursement and the total amount for each such expense category is attached hereto as Exhibit "D." Pursuant to Section II.D of the UST Guidelines, a schedule setting forth a description of the project categories utilized in this case, the number of hours expended by Chadbourne partners, associates and paraprofessionals by project category, and the aggregate fees associated with each project category is attached hereto as Exhibit "E."

13. Chadbourne maintains computerized records of the time spent by all Chadbourne attorneys and paraprofessionals for the services rendered during the Final Compensation Period. Copies of these computerized records are attached hereto as Exhibit "F" and are being furnished to the court, counsel to the Debtors and the U.S. Trustee in the format specified by the UST Guidelines.

**Order Establishing Procedures for Interim
Compensation and Reimbursement of Expenses of Professionals**

14. By the Fee Procedures Order, this Court established certain procedures for interim compensation and reimbursement of expenses of those professionals specifically retained

by order of the Court. Briefly summarized, the procedures provide that professionals retained in these cases may seek interim compensation on a monthly basis by serving, on or before the 20th day of the month following the month for which compensation is sought, a fee and expense statement on the U.S. Trustee, counsel for the Debtors and counsel for any statutory committees appointed in these cases. The Fee Procedures Order provides that, absent any objection served on the professional seeking compensation or reimbursement in a particular statement, the Debtors shall pay eighty percent (80%) of the fees and one-hundred percent (100%) of the expenses set forth in such monthly statement. The Fee Procedures Order also sets forth the procedures that apply in the event that any party in interest objects to the monthly fee statement of any professional. Furthermore, the Fee Procedures Order provides that (a) approximately every 120 days, but no more than every 150 days, each of the professionals shall serve and file with the Court an application for interim or final Court approval and allowance, pursuant to sections 330 and 331 of the Bankruptcy Code of the compensation and reimbursement of expenses requested; (b) if a professional fails to file timely (as defined in the Procedures Order) any such application, such professional (i) shall be ineligible to receive further monthly payments of fees and (ii) may be required to disgorge all fees paid in accordance with the procedures established in the Fee Procedures Order; and (c) neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement as provided in the Fee Procedures Order shall have any effect on the Court's interim or final allowance of compensation and reimbursement of any professionals.

15. In accordance with the Fee Procedures Order, during the Final Compensation Period, Chadbourne has sought interim compensation and reimbursement of

expenses, and has received from the Debtors certain payments on account thereof, in the following amounts:

FEE PERIOD	FEES REQUESTED	EXPENSES REQUESTED	TOTAL REQUESTED	TOTAL PAID TO DATE	REMAINING UNPAID AMOUNTS
July 1, 2003 through July 30, 2003	\$247,998.00	\$5,848.28	\$253,846.28	\$204,246.68	\$49,599.60
August 1, 2003 through August 31, 2003	\$214,318.00	\$12,987.05	\$227,305.05	\$184,441.45	\$42,863.60
September 1, 2003 through September 7, 2003	\$ 11,204.00	\$ 462.60	\$ 11,666.60	.00	\$11,666.60
Sub-Totals	\$473,520.00	\$19,297.93	\$492,817.93	\$388,688.13	\$104,129.80
Expense Credit					(21,468.69)
TOTALS	\$473,520.00	\$19,297.93	\$492,817.93	\$388,688.13	\$ 82,661.11

As set forth above, Chadbourne seeks payment for fees and reimbursement of expenses totaling \$82,661.11. This amount represents (i) the 20% holdback on fees requested in Chadbourne's July and August monthly fee statements, (ii) 100% of fees and expenses in Chadbourne's September fee statement and (iii) the application of the Expense Credit.

First Interim Fee Application

16. On November 8, 2002, Chadbourne filed its first interim application for allowance and approval of fees for services rendered and expenses incurred for the period May 29, 2002 through September 30, 2002 (the "First Interim Fee Application"). In its First

Interim Fee Application, Chadbourne sought allowance of compensation in the amount of \$1,409,260.00 and reimbursement of expenses in the amount of \$165,299.14. On December 13, 2002, this Court entered an order (the "First Compensation Order") awarding these amounts in full less \$41,564.75 in cost reduction for word processing charges.

Second Interim Fee Application

17. On March 6, 2003, Chadbourne filed its second interim application for allowance and approval of fees for services rendered and expenses incurred for the period October 1, 2002 through January 31, 2003 (the "Second Interim Fee Application"). In its Second Interim Fee Application, Chadbourne sought allowance of compensation in the amount of \$640,107.50 and reimbursement of expenses in the amount of \$45,438.03. On March 27, 2003, this Court entered an order (the "Second Compensation Order") awarding these amounts in full.

Third Interim Fee Application

18. On August 6, 2003, Chadbourne filed its third interim application for allowance and approval of fees for services rendered and expenses incurred for the period February 1, 2003 through June 30, 2003 (the "Third Interim Fee Application"). In its Third Interim Fee Application, Chadbourne sought allowance of compensation in the amount of \$798,019.50 and reimbursement of expenses in the amount of \$22,034.97. On August 19, 2003, this Court entered an order (the "Third Compensation Order") awarding these amounts in full.

**Summary of Significant Services Provided by
Chadbourne During the Final Compensation Period**

19. In accordance with the Guidelines, the following summarizes, by specific project categories, the legal services performed by Chadbourne's partners, associates and paraprofessionals during the Final Compensation Period. Chadbourne maintains time records in the regular course of its business and practice, with entries made by each professional and paraprofessional contemporaneously with the rendering of the service. Such records, annexed hereto as Exhibit "F" reflect the substantial amount of time devoted by Chadbourne's professionals in and to these chapter 11 cases and the complex and difficult issues encountered by the Committee and dealt with by Chadbourne on the Committee's behalf.

20. As a result of the various pleadings filed and hearings conducted in these chapter 11 cases, this Court is generally familiar with the nature of professional services rendered by Chadbourne in furtherance of its professional obligations to the Committee. Chadbourne does not believe it necessary or useful to burden the Court with every detail of every service performed by Chadbourne on behalf of the Committee during the Final Compensation Period. Nevertheless, Chadbourne summarizes in some detail herein the major activities to which Chadbourne partners, associates and paraprofessionals have devoted substantial effort and attention during the Final Compensation Period on behalf of the Committee.

A. Bankruptcy General (Matter 002)

21. Chadbourne expended 142.50 hours at an aggregate charge of \$35,2443.50 on Bankruptcy General matters during the Final Compensation Period.

22. During the Final Compensation Period, Chadbourne attorneys devoted numerous hours to the fulfillment of its professional duties and responsibilities in connection with the administration of these chapter 11 cases including: (i) addressing the inquiries of the Debtors, creditors, Committee professionals, Senior Secured Noteholders and other parties in interest in these cases; (ii) monitoring of incoming correspondence, pleadings, dockets, adversary proceedings; and (iii) disseminating information and coordinating among the various parties-in-interest. Consequently, this category represents a significant area in which Chadbourne, in furtherance of its professional obligations, was required to provide services to the Committee. Chadbourne attorneys also prepared for and attended various omnibus hearings and court conferences on behalf of the Committee.

23. Chadbourne's paraprofessionals have also been required to monitor and retrieve, on a daily basis, all newly filed pleadings from the Court's dockets, in both the main case and all adversary proceedings in these chapter 11 cases. Chadbourne paraprofessionals review and summarize all filings, hearings and objection dates in these proceedings for preparation and distribution of case activity reports to the Committee. Chadbourne paraprofessionals supervise the internal management of documents and the distribution of documents both to the professionals at Chadbourne and to the Committee, coordinate receipt of pleadings, correspondence and other documents, assist attorneys in preparation of papers for electronic filing and service, and respond to third-party requests for documents.

B. Committee Meetings (Matter 003)

24. Chadbourne expended 54.10 hours at an aggregate charge of \$23,335.00 on Committee Meetings matters during the Final Compensation Period.

25. Regular weekly meetings and special meetings of the Committee (the "Committee Meetings") continued to be held during the Final Compensation Period. Committee Meetings were held by telephone conference to address the Debtors' business operations, the Plan of Reorganization and Disclosure Statement and related objections, and other matters related to the Debtors' cases. Chadbourne attorneys prepare and distribute the agendas and weekly calendars for each Committee for Committee members to review. Committee Meetings continue to be the most effective and efficient way of providing a forum for Committee members to express their views and to ensure that all members of the Committee are kept informed of the events occurring in the Debtors' cases.

C. Creditor Communications (Matter 004)

26. Chadbourne expended 31.20 hours at an aggregate charge of \$10,781.00 on Creditor Communications matters during the Final Compensation Period.

27. Chadbourne, as counsel to the Committee, continued to be the focal point for creditor inquiries during the Final Compensation Period. Chadbourne attorneys reviewed and responded to written and telephonic inquiries and requests from unsecured creditors, shareholders and members of the Committee. During the Final Compensation Period, Chadbourne received and responded to numerous inquiries from various creditors as well as members of the Committee regarding various issues with respect to the confirmation of the

Debtors' Plan of Reorganization including voting issues, effective date and projected distributions to creditors.

D. Inter-Company Issues/Cash Management (Matter 006)

28. Chadbourne expended 1.40 hours at an aggregate charge of \$498.00 on Inter-Company Issues/Cash Management matters during the Final Compensation Period.

29. During the Final Compensation Period, Chadbourne attorneys continued their review of the weekly operating reports and financial statements prepared by J.H. Cohn, including discussions and correspondence regarding same.

E. Asset Disposition/Sale (Matter 007)

30. Chadbourne expended 32.10 hours at an aggregate charge of \$16,908.00 on Asset Disposition/Sale matters during the Final Compensation Period.

31. During the Final Compensation Period, Chadbourne attorneys from its telecommunications and bankruptcy groups continued working with the Committee and its professionals in reviewing various sales transactions and negotiating satisfactory settlement terms on pre-petition sale and service agreements. In particular, Chadbourne continued to address the ongoing settlement negotiations between the Debtors and XO Communications ("XO"). This work included the review and analysis of various transactional documents between the Debtors and XO and the preparation of a comprehensive summary to the Committee regarding same. In addition, Chadbourne reviewed and analyzed cure amounts disputed by XO as set forth in the Debtors' motion to assume executory contracts.

F. Fee/Retention Applications (Matter 008)

32. Chadbourne expended 59.30 hours at an aggregate charge of \$14,485.50 on Fee/Retention Applications matters during the Final Compensation Period.

33. During the Final Compensation Period, Chadbourne prepared monthly fee statements, prepared and filed its Third Interim Fee Application and prepared for and attended the omnibus hearing on interim fee applications. In addition, Chadbourne assisted its professionals, J.H. Cohen, Lazard Frères and Zuckerman Spaeder, in preparing and filing their interim fee applications.

34. Further, Chadbourne reviewed monthly fee statements and fee applications of the Debtors and professionals retained by the Debtors. In particular, Chadbourne expended time on the review and analysis of the invoice rendered by replacement counsel for the Senior Secured Noteholders in order to assure its reasonableness.

G. Plan and Disclosure Statement (Matter 009)

35. Chadbourne expended 668.60 hours at an aggregate charge of \$265,801.00 on Plan and Disclosure Statement matters during the Final Compensation Period.

36. During the Final Compensation Period, Chadbourne attorneys devoted significant hours on addressing all issues with respect to confirmation of the Plan and preparing for the confirmation hearing. These efforts included working with the Committee and the Debtors in the ongoing review, revision and finalization of the various supplemental documents and amendments to the Plan, including settlement negotiations and finalization of the Kluge supplemental Plan documents. Chadbourne attorneys reviewed the various objections to the Plan

and worked extensively with the Debtors and the Committee on formulating responses to the objections for inclusion in the Debtors' memorandum in support of the Plan. In addition, Chadbourne devoted time on the review and revision of the confirmation order.

37. Further, Chadbourne assisted in the preparation and finalization of the Plan solicitation package including reviewing and revising the master ballot and preparation of the Committee's letter in support of the Plan. In addition, Chadbourne tended to issues regarding a new board of directors of the restructured Debtors including reviewing resumes and interviewing prospective candidates for the new board. On August 21, 2003, Chadbourne attended the confirmation hearing, at which time this Court confirmed the Plan.

H. Executory Contracts (Matter 010)

38. Chadbourne expended 90.00 hours at an aggregate charge of \$30,444.50 on Executory Contracts matters during the Final Compensation Period.

39. During the Final Compensation Period, Chadbourne attorneys continued reviewing and analyzing the numerous motions filed by the Debtors with respect to unexpired non-residential leases and executory contracts of the Debtors. Because of the Debtors' impending emergence from bankruptcy, sufficient care was exercised to ensure that all contracts, agreements, leases, etc. were considered and that only those contracts necessary for future business operations be assumed. In addition, Chadbourne worked with the Committee and the Debtors to negotiate satisfactory settlement terms and finalizing settlement stipulations on various pre-petition service agreements and to resolve tax assessment disputes.

I. Employee Issues (Matter 012)

40. Chadbourne expended 75.10 hours at an aggregate charge of \$30,783.00 on Employee Issues during the Final Compensation Period.

41. During the Final Compensation Period, Chadbourne attorneys worked resolutely on finalizing new executive employment agreements for management, senior vice presidents and the CEO as well as a management incentive plan and options agreement. This work included the ongoing review and revision of various iterations of the agreements, consideration of issues with respect to timing and confirmation, and participation in numerous telephone conferences, meetings and correspondence with the Employee Compensation Subcommittee, its professionals and the Debtors to resolve outstanding issues in order to finalize the agreements.

J. Relief from Stay Issues (Matter 013)

42. Chadbourne expended 6.90 hours at an aggregate charge of \$1,863.00 on Relief from Stay Issues during the Final Compensation Period.

43. During the Final Compensation Period, Chadbourne attorneys reviewed the motion seeking relief from the automatic stay (the "Motion for Relief"), filed by a former outside director of the Debtors, to permit payment by the Debtors, or the Debtors' insurance companies, to cover defense costs in responding to actions by the Securities and Exchange Commission. Working with the Committee and the Debtors, Chadbourne prepared and filed a joinder to the Debtors' objection to the Motion for Relief.

K. General Litigation (Matter 014)

44. Chadbourne expended 108.50 hours at an aggregate charge of \$41,654.00 on General Litigation matters during the Final Compensation Period.

45. During the Final Compensation Period, Chadbourne attorneys from its litigation and bankruptcy departments expended time addressing issues arising from an objection filed by the senior secured noteholders (the "Senior Secureds") to the Debtors' Disclosure Statement and Summary of Plan Distributions. This work included responding to discovery requests, researching expert disclosure issues and preparing for and attending depositions. Chadbourne, along with the Committee's special counsel ("Special Counsel") and the Debtors, worked with the Senior Secureds on negotiating settlement terms and finalizing a term sheet acceptable to all parties.

46. Chadbourne attorneys continued reviewing and monitoring proceedings in the Debtors' adversary cases. In particular, Chadbourne worked with the Debtors on finalizing settlement stipulations in several of the cases including Knight Securities, Lucent Technologies and Lexent Inc.

L. Investigation of Insider Matters (Matter 015)

47. Chadbourne expended 5.00 hours at an aggregate charge of \$1,125.50 on Investigation of Insider Matters during the Final Compensation Period.

48. During the Final Compensation Period, Chadbourne assisted Special Counsel in the filing and service of the Committee's standing motion to commence litigation related to equitable subordination.

M. Review of Other Security Interests (Matter 017)

49. Chadbourne expended 1.40 hours at an aggregate charge of \$598.00 on Other Security Interests matters during the Final Compensation Period.

50. During the Final Compensation Period, Chadbourne reviewed easement and leasehold mortgages of the Debtors and provided same to Special Counsel.

Disbursements

51. As set forth in Exhibit "D" hereto, Chadbourne has incurred \$19,297.93 in expenses in providing professional services during the Final Compensation Period. With respect to photocopying expenses, Chadbourne charges its clients \$.20 per page. With respect to facsimile expenses, in compliance with the Guidelines, Chadbourne does not charge for facsimile transmissions, other than the cost of long distance facsimiles at applicable toll charge rates, which invariably are less than \$1.25 per page permitted by the Guidelines. Each of these categories of expenses does not exceed the maximum rate set by the Guidelines. These charges are intended to cover Chadbourne's direct operating costs, which costs are not incorporated into Chadbourne's hourly billing rates. Only clients who actually use services of the types set forth in Exhibit "D" are separately charged for such services. 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 and other facilities and services. The amount of the standard photocopying charge is intended to allow Chadbourne to cover the related expenses of its photocopying service. A determination of the actual expenses per page for photocopying, however, is dependent on both the volume of copies and the total expenses attributable to photocopying on an annual basis.

With respect to word-processing costs, Chadbourne does not include word processing charges in the firm's overhead for purposes of setting billing rates, nor does Chadbourne seek reimbursement of any word-processing charges in this Application (per the Court's rulings at the December 11, 2002 fee hearing and the First Compensation Order).

52. The time constraints frequently imposed by the circumstances of these cases have required Chadbourne's professionals and other employees at times to devote time during the evenings and on weekends to the performance of legal services on behalf of the Committee. These extraordinary services were essential in order to meet deadlines and satisfy the demands of the Committee and the relatively accelerated pace of these chapter 11 cases. Consequently, as a result of the physical inability to complete every task, respond to every letter, and prepare every pleading required of Chadbourne during ordinary business hours, Chadbourne professionals and other employees were required to work in the evenings and on weekends. Given the significant demands on Chadbourne professionals and other employees occasioned by the Debtors' desire to emerge from chapter 11 as quickly as possible, Chadbourne has, consistent with firm policy charged the Debtors \$725.63 in overtime costs for paraprofessional overtime. Also consistent with firm policy, attorneys and other employees of Chadbourne who worked late into the evenings or on weekends were reimbursed for their reasonable meal and transportation costs. Chadbourne's regular practice is not to include components for those charges in overhead when establishing billing rates and to charge its clients for these and all other out-of-pocket disbursements incurred during the regular course of the rendition of services. The reimbursement amounts do not exceed those set forth in the Guidelines.

53. In addition, due to the national nature of the Debtors' business, long distance telephone calls have been required. On several occasions, overnight delivery of documents and other materials was required as a result of emergencies necessitating the use of such express services. These disbursements are not included in Chadbourne's overhead for the purpose of setting billing rates. Chadbourne 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 Committee.

Determination Of Chadbourne's Requested Fee

54. In seeking compensation in these chapter 11 cases, Chadbourne has utilized its 2002 hourly rate structure in accordance with the Guidelines for the period from May 29, 2002 through and including December 31, 2002, and has utilized its 2003 hourly rate structure for the period from January 1, 2003 through and including September 7, 2003.

55. For the period May 29, 2002 through and including December 31, 2002 and the period January 1, 2003 through and including September 7, 2003, Chadbourne maintained 2002 and 2003 hourly rates respectively in the following ranges for attorneys and paraprofessionals performing services in this engagement.

	<u>2002 Hourly Rates</u>	<u>2003 Hourly Rates</u>
Partners	\$475 - \$670	\$475 - \$720
Counsel	\$400 - \$495	\$450 - \$530
Associates	\$210 - \$375	\$250 - \$425
Staff Attorneys	\$230 - \$250	\$230 - \$330
Paraprofessionals	\$90 - \$185	\$95 - \$195

56. For purposes of this Application, Chadbourne has calculated its request for compensation by multiplying (a) the hours of time spent on services rendered on behalf of the Committee, by (b) the applicable 2002 or 2003 hourly rate (depending on when service was rendered) assigned to each attorney or paraprofessional rendering such services. The compensation sought herein is requested without prejudice to Chadbourne's entitlement to seek such additional and reasonable compensation for any additional services rendered in these chapter 11 cases at the conclusion thereof upon the filing of an appropriate application therefor.

57. In accordance with the criteria enunciated for evaluating the fair and reasonable value of legal services, Chadbourne respectfully represents:

(a) Time and Labor Required. Chadbourne has attended to the reorganization of the affairs and activities of the Debtors at every level in order to enable the Committee to take the necessary steps and institute the appropriate measures to deal with the myriad issues that have arisen in these chapter 11 proceedings. Meetings with representatives of the Debtors, the Committee and the Senior Secured Lenders, as well as attending hearings in Court, have been accorded the highest priority by Chadbourne.

(b) Skill Requisite to Perform Legal Services, Experience, Reputation and Ability of Chadbourne. Chadbourne believes that its expertise in the area of bankruptcy and corporate reorganization, coupled with corporate, finance, tax, employee benefits, labor law and litigation skills has greatly contributed to the progress of these cases.

(c) The Customary Fee. Chadbourne respectfully submits that the fee sought herein is customary and based on the usual criteria in matters of this type, and is commensurate with fees Chadbourne has been awarded in other chapter 11 cases.

(d) Whether Fee is Fixed or Contingent. Pursuant to the statutory provisions of the Bankruptcy Code, all fees sought by professionals employed under section 327 of the Bankruptcy Code are contingent upon approval by this court and are largely dependent upon the results achieved.

(e) Nature and Length of Professional Relationship. Chadbourne was retained immediately upon the formation of the Committee for the purpose of advising and counseling the Committee. Since then, Chadbourne has counseled, advised and represented the Committee at every level in these chapter 11 cases up to and through the Effective Date.

58. Chadbourne deems the fair and reasonable value of its professional services rendered during the Final Compensation Period to be the sum of \$473,520.00. Based upon the total attorneys' and paraprofessionals' time expended, and a resulting blended hourly rate of \$371.07 including paraprofessionals' time, Chadbourne believes the Final Compensation Period compensation requested herein to be eminently appropriate. Accordingly, Chadbourne

respectfully requests that the Court allow compensation for professional and paraprofessional services rendered in the amount of \$473,520.00. Pursuant to the Procedures Order, as of the date hereof Chadbourne has been paid \$369,852.80 in compensation for its services rendered during the Final Compensation Period.

59. By this Application, Chadbourne also seeks reimbursement of its actual, reasonable and necessary expenses incurred during the Final Compensation Period in the amount of \$19,297.93. Accordingly, Chadbourne respectfully requests that the Court allow reimbursement of expenses in the amount of \$19,297.93. Pursuant to the Procedures Order, Chadbourne has been paid \$18,835.33 towards its actual, reasonable and necessary expenses incurred during the course of rendering professional services for and on behalf of the Committee during the Final Compensation Period.

60. By this Application, Chadbourne also seeks (i) the allowance of compensation in the aggregate amount of \$2,847,387.00 and reimbursement of expenses in the aggregate amount of \$191,207.39, previously awarded by this Court, pursuant to the First, Second and Third Compensation Orders, and (ii) allowance of compensation for fees incurred for work relating to Review of Secured Facility matter in the aggregate amount of \$14,382.00 during the Second and Third Interim Periods.

61. In these chapter 11 cases, Chadbourne respectfully submits that the services for which it seeks compensation in this Application were necessary and beneficial to the Committee. Chadbourne further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Committee and all parties in interest.

62. Whenever possible, Chadbourne sought to minimize the costs of Chadbourne's services by using talented junior attorneys and paraprofessionals to handle the more routine aspects of case administration. A small group of Chadbourne attorneys was utilized for the vast majority of the work in these cases to minimize the costs of intra-Chadbourne communication and education about these cases and the issues occasioned by the Debtors' circumstances.

63. In summary, the services rendered by Chadbourne were necessary and beneficial to the Committee at the time rendered, and were consistently performed in a timely manner commensurate with the complexity, importance and nature of the issues involved, and approval of the compensation sought herein is warranted.

64. As set forth in the certification of Howard Seife attached hereto as Exhibit "A," the compensation requested by Chadbourne is based on the customary compensation charged by comparably skilled practitioners in matters other than cases under the Bankruptcy Code.

65. No agreement or understanding exists between Chadbourne and any other person for sharing of compensation received or to be received for services rendered in or in connection with these chapter 11 cases, nor shall Chadbourne share or agree to share the compensation paid or allowed from the Debtors' estates for such services with any other person.

WHEREFORE, Chadbourne respectfully requests that this Court issue and enter an order (a) authorizing compensation in the amount of \$3,335,289.00 for professional services rendered and reimbursement of expenses incurred in connection therewith in the amount of \$189,036.63 (reflecting the Expense Credit) during the Total Compensation Period, which is comprised of:

- (i) compensation for professional services rendered during the Final Compensation Period in the amount of \$473,520.00 and reimbursement of actual and necessary expenses incurred during the Final Compensation Period in the amount of \$19,297.93;
- (ii) compensation for professional services rendered during the First Interim Period in the amount of \$1,409,260.00 and reimbursement of actual and necessary expenses incurred during the First Interim Period in the amount of \$123,734.39;
- (iii) compensation for professional services rendered during the Second Interim Period in the amount of \$640,107.50 and reimbursement of actual and necessary expenses incurred during the Second Interim Period in the amount of \$45,438.03;
- (iv) compensation for professional services rendered during the Third Interim Period in the amount of \$798,019.50 and reimbursement of actual and necessary expenses incurred during the Third Interim Period in the amount of \$22,034.97;
- (v) compensation for fees incurred for work relating to Review of Secured Facility matter during (a) the Second Interim Period in the amount of \$13,497.50 and (b) the Third Interim Period in the amount of \$884.50;

(b) authorizing and directing the Debtors to remit payment to Chadbourne as set forth herein, less all amounts previously paid on account of such fees and expenses; and (c) granting such other and further relief as this Court deems just and proper.

Dated: New York, New York
October 22, 2003

CHADBOURNE & PARKE LLP

By: /s/ Howard Seife
Howard Seife (HS 7995)
A Member of the Firm

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