KRONISH LIEB WEINER & HELLMAN LLP Hearing Date: November 7, 2002 at 11 a.m. 1114 Avenue of the Americas Objection Deadline: October 30, 2002 at 5 p.m. New York, NY 10036 (212) 479-6000 Lawrence C. Gottlieb (LG 2565) Richard S. Kanowitz (RK 0677) Counsel for Metromedia Fiber Network, Inc., et al. Debtors and Debtors in Possession UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK -----X Chapter 11 In re: Case Nos. METROMEDIA FIBER NETWORK, INC., et al., 02-22736 (ASH) through 02-22742 (ASH); 02-22744 Debtors. (ASH) through 02-22746 (ASH); 02-22749 (ASH); 02-22751 (ASH) through 02-22754 (ASH) (Jointly Administered)

# FIRST APPLICATION OF KRONISH LIEB WEINER & HELLMAN LLP, COUNSEL FOR THE DEBTORS, FOR INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM MAY 20, 2002 THROUGH AUGUST 31, 2002

TO THE HONORABLE ADLAI S. HARDIN, JR. UNITED STATES BANKRUPTCY JUDGE:

Kronish Lieb Weiner & Hellman LLP (the "Applicant"), counsel to Metromedia Fiber Network, Inc. and its debtor subsidiaries<sup>1</sup> (each a "Debtor" and collectively, the "Debtors" and/or "Debtors in Possession"), in the above-captioned Chapter 11 case, respectfully represents:

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<sup>&</sup>lt;sup>1</sup> The subsidiaries who have filed Chapter 11 petitions are: Metromedia Fiber Network Services, Inc., AboveNet Communications, Inc., SiteSmith, Inc., PAIX.net, Inc., Metromedia Fiber Network of Illinois, Inc., MFN Purchasing, Inc., Metromedia Fiber Network of New Jersey, Inc., MFN of Utah, L.L.C., MFN of Virginia, L.L.C., Metromedia Fiber National Network, Inc., Metromedia Fiber Network International, Inc., MFN International, L.L.C., MFN Japan Backhaul, Inc., and MFN Europe Finance, Inc.

#### Introduction

- 1. This is Applicant's first application (the "Application") for an interim allowance of compensation and reimbursement of expenses pursuant to section 331 of chapter 3 of title 11 of the United States Code, et seq., as amended (the "Bankruptcy Code"), the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Local Rules of the United States

  Bankruptcy Court for the Southern District of New York (the "Local Rules") and this Court's 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 "Interim Compensation Procedures Order").
- 2. This Application requests compensation for legal services rendered by the Applicant on behalf of the Debtors for the period May 20, 2002 through August 31, 2002 (the "Compensation Period") and reimbursement of certain expenses incurred by (or first billed by outside vendors to) the Applicant during the Compensation Period in connection with the rendition of such services. This Application complies with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and the Interim Compensation Procedures Order, as stated in the certification dated October 9, 2002 accompanying this Application, made on behalf of the Applicant by Lawrence C. Gottlieb, Esq. (the "Certification"). The Certification is attached hereto as "Exhibit A" to this Application.
- 3. This Application seeks an allowance of compensation in the amount of \$1,542,191 representing Applicant's actual time charges for 5,020.9 hours of services rendered during the Compensation Period and reimbursement for expenses in the amount of \$104,370.26 incurred by (or first billed by outside vendors to) the Applicant and recorded during the Compensation Period, all as more fully set forth below. Pursuant to the United States Trustee

Guidelines, Applicant has attached a summary sheet of total compensation requested in this Application as **Exhibit "B"** and has broken down this Application and attached time sheets into "project categories" as more fully described below.

#### **Background**

- 4. On May 20, 2002 (the "Commencement Date") the Debtors filed voluntary petitions for relief under Chapter 11, title 11 of the United States Code, 11 U.S.C. §101 et. seq. (the "Bankruptcy Code") with the Clerk of this Court. The Debtors have continued in the management and operation of its business and property as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. An official committee of unsecured creditors (the "Committee") has been appointed in these cases.
- 5. The Debtors, together with MFN's non-debtor subsidiaries (collectively, the "Company") provides fiber optic infrastructure, high-bandwidth internet connectivity and managed internet infrastructure services for its communications intensive customers. The Company is a facilities-based provider of technologically advanced, high-bandwidth, fiber optic communications infrastructure to communications carriers and corporate and government customers in the United States and Europe. The Company also provides high-bandwidth internet connectivity, co-location services and a comprehensive internet infrastructure management solution that includes design and architecture, hardware and software, installation, and ongoing management. MFN's subsidiary PAIX.net, Inc. serves as a packet switching center for internet service providers ("ISPs") and also offers secure, fault-tolerant co-location services to ISPs.
- 6. The Company combines the most extensive metropolitan area fiber network with a global optical internet protocol network, state-of-the-art data centers and managed services to deliver fully integrated, outsourced communications solutions as well as point solutions for

carriers, companies, and government. The Company has assembled a strategic set of physical and intellectual assets that enable the Company to deliver its digital communications infrastructure solutions.

#### **Applicant's Retention**

- 7. On May 20, 2002, the Debtors filed an application to employ the Applicant as its co-counsel pursuant to section 327(a) of the Bankruptcy Code, as to which there was no objection. The Court approved the retention of the Applicant on an interim basis by order dated May 20, 2002 and on a final basis on June 5, 2002.
- 8. During the Compensation Period, Applicant, on behalf of and in consultation with the Debtors, maintained an active role in these Chapter 11 cases.
- 9. To apprise this Court of the legal services rendered during the Compensation Period, Applicant sets forth the following summary of legal services rendered.

### SERVICES RENDERED DURING PRESENT COMPENSATION PERIOD OF MAY 20, 2002 THROUGH AUGUST 31, 2002

- 10. During the Compensation Period, Applicant's services to the Debtors has included professional advice and representation in connection with discreet categories in this Chapter 11 proceeding. The aggregate hours and amount for each category is set forth as an attachment to this Application. Applicant is requesting fees in the total amount of \$1,542,191 for services rendered during the Compensation Period and reimbursement of expenses in the amount of \$104,370.26.
- 11. The following is a breakdown of the services rendered by the Applicant during the Compensation Period in each of the discreet categories.

#### **Case Administration:**

- 12. This category includes time expended by Applicant relating to a variety of activities regarding the day-to-day management and prosecution of the Chapter 11 cases, including the preparation of notices and service upon creditors, calendaring dates with the Court as well as interaction with the Office of the U.S. Trustee for the Southern District of New York, vendors, suppliers, and other professionals including the various secured creditor groups and the Committee. This category includes such activities as: preparation of initial applications and orders, scheduling, and staffing. Also included under this category is time devoted to assisting the Debtors in the preparation of monthly operating reports, the bankruptcy schedules and statement of affairs, and responding to requests for information by various creditors. Applicant conferred with and updated the Debtors on a daily basis regarding the status of the case and advised the Debtors regarding, *inter alia*: corporate governance, cash collateral, KERP, tax liability, appointment of restructuring professionals, utilities, and director and officer liability.
- 13. Applicant expended 969.5 hours of time for a charge of \$242,469.50 for services rendered with respect to the handling of matters relating to case administration.

#### **Leases and Executory Contracts:**

14. This category includes time expended by Applicant with respect to unexpired non-residential leases and executory contracts of the Debtors. The Debtors have numerous unexpired non-residential real property leases, circuit leases, service agreements and other various telecommunication-oriented contracts. Applicant assisted the Debtors in reviewing these contracts and leases so that the Debtors would be in a position to file motions with the Court to (i) assume or reject certain leases and/or executory contracts; (ii) extend the time to assume or reject leases and/or executory contracts; and (iii) modify and enter into new agreements.

- 15. Applicant researched numerous legal issues pertaining to: what constitutes an executory contract or lease, rejection, assumption, amending executory contracts, and payment of cure amounts. Applicant reviewed, negotiated and settled objections to various motions dealing with executory contracts and conferred with the Committee regarding various issues surrounding the Debtors' executory contracts.
- 16. Specific examples of the Applicant's services in connection with non-residential real property leases include, but is not limited to: (i) negotiating with the Debtors' former landlords at various co-location and database centers across the United States to either terminate or reject current leases and to cap any administrative claims; (ii) negotiating with said landlords to resolve disputes as to the Debtors' equipment located at those sites in order to generate proceeds for the estates; (iii) negotiating with the landlord at 360 Hamilton Avenue, White Plains, New York to amend the current lease in order to reduce the monthly lease obligations. Applicant successfully re-negotiated the Debtors' lease obligations with these landlords which resulted in great savings for the estates and a limitation on the Debtors' liabilities to these landlords.
- 17. Other specific examples of work done in connection with executory contracts include, but is not limited to: (i) resolving disputes as to rejection of executory contracts with Verizon and SBC; (ii) negotiating with XO regarding billing disputes and adequate assurance; (iii) negotiation and compelling payment of services rendered to Winstar in its bankruptcy proceeding, which settlement garned \$1.7 million for the benefit of the estates; (iv) negotiating with 360 Networks regarding the ability to reject certain contracts; and (v) negotiating and drafting stipulations of settlement with various executory contract holders. Applicant submits

these services provide great value to the estates by generating substantial proceeds for the estates.

18. Applicant expended 975.7 hours of time for a charge of \$269,835.50 for services rendered with respect to the handling of matters relating to leases and executory contracts.

#### **Business Operation and Plan:**

- 19. This category includes time expended by Applicant with respect to the business operation and business issues of the Debtors. Included in this category are services rendered by the Applicant relating to: communications with vendors who supply goods and/or services to the Debtors; issues pertaining to corporate governance; setoff; cash management; and various utilities located throughout the country.
- 20. Applicant extended a considerable amount of time resolving objections to the Debtors' motion to provide adequate assurances to utilities and negotiating adequate assurance of payments for certain utilities. Applicant also negotiated with its numerous prepetition customers in order to extend and modify service contracts that generated additional revenue for the estates.
- 21. Applicant also expended a considerable amount of time formulating and discussing the business plan with the Debtors.
- 22. Applicant expended 96.7 hours of time for a charge \$34,310.50 for services rendered with respect to the handling of these matters.

#### **Financing:**

23. This category includes time expended by Applicant on negotiating stipulations with Citibank and Silicon Valley Bank in connection with certain Debtors' letters of credit.

Applicant expended 15.9 hours of time for a charge of \$6,531.00 for services rendered with respect to the handling of matters relating to financing.

#### **Retention of Professionals/Compensation Fee Applications:**

- 24. This category includes time expended by Applicant with respect to the retention of various professionals for the Debtors. Applicant drafted and revised applications for the Debtors' special counsel, financial advisors, accountants, special tax advisors, chief restructuring officers and turnaround management consultants. Applicant also sought and negotiated the retention of a marketing agent in connection with the sale of certain of the Debtors' assets. Applicant reviewed the applications of professionals retained by the Committee and negotiated with the Committee regarding the retention of all professionals employed in these proceedings. Applicant also negotiated and drafted and negotiated employment agreements with certain of the Debtors' senior management.
- 25. Applicant expended 187.70 hours of time for a charge of \$58,646.50 for services rendered with respect to the handling of matters relating to the retention of professionals.

#### Claims:

- 26. This category includes time expended by Applicant with respect to various claims against the Debtors. Included in this category are: services rendered relating to conference calls with creditors concerning their claims; reviewing and negotiating with creditors regarding numerous claim disputes; and drafting proofs of claims and administrative claims in other bankruptcy proceedings.
- 27. The Applicant expended a large amount of time in connection with research and drafting memorandums of law in connection with real estate and property taxes as well as section 505 of the Bankruptcy Code. Applicant also analyzed these tax issues with Ernst & Young, the Debtors' tax advisors.

- 28. Applicant also drafted and filed a bar date motion during this Compensation Period and has been analyzing the claims of certain creditors in anticipation of various claims objections.
- 29. Applicant expended 168 hours of time for a charge of \$44,788.00 for services rendered with respect to the handling of matters relating to claims.

#### **Plan and Disclosure Statement:**

30. This category includes time expended by Applicant preparing a motion to extend the Debtors' time for exclusivity which was subsequently granted by the Court. Applicant expended 8.7 hours of time for a charge of \$2,748.00 for services rendered with respect to the handling of these matters relating to the plan and disclosure statement.

#### **Asset Dispositions:**

- 31. This category includes time expended by Applicant with respect to the sale of certain assets of the Debtors. Applicant analyzed various offers, term sheets and commitment letters in connection with the sale of the Debtors' assets, data centers and divisions. Applicant held meetings to discuss the viability and adequacy of these offers with the Debtors; considered different options and analyzed the effect of these sales on the Debtors' business and various creditor constituencies. Applicant negotiated, drafted and reviewed asset purchase agreements, bid procedures and related documents thereto including negotiations concerning break up fees and stalking horses. Applicant also drafted motions in connection with these assets sales and researched the legal standard to be applied in connection with bid procedures and assets sales. As a result of Applicant's services, the Debtors generated millions of dollars for the estate from sales that the Debtors believed were necessary for a successful reorganization.
- 32. Applicant expended 557.6 hours of time for a charge of \$205,353.50 for services rendered with respect to the handling of these matters relating to asset dispositions.

#### **Preparation For and Attending Court Hearings:**

- 33. This category includes time expended by Applicant preparing for and attending Court hearings on matters related to this case. Applicant appeared and conducted hearings during the Compensation Period on a weekly basis. Several of these motions were contested and accordingly it was necessary to prepare witnesses for evidentiary hearings. The majority of the time expended in this category is for preparation and attendance at hearings regarding the following issues: ten first day motions, over ten motions to reject over 100 leases and executory contracts, motion for adequate assurances for Utilities; retention applications for all of the Debtors' professionals; numerous cash collateral motions; sales of the Debtors' assets; two extensions of time to assume or reject leases and executory contracts; as well as litigation concerning various landlord claim disputes. Applicant spend a large amount of time dealing the Washington Metropolitan Area Transit Authority's ("WMATA") threatened violation of the automatic stay which lead to a preliminary injunction and an eventual settlement as well as disputes with XO Communications and Winstar. In connection with these all of these hearings, the Applicant reviewed objections, prepared legal memoranda, filed reply briefs and prepared for oral argument. Applicant has been highly successful in its representation of the Debtors which has resulted in great savings and increased revenue for the estates.
- 34. Applicant spent 132.2 hours of time for a charge of \$50,333.50 for services rendered with respect to the handling of matters relating to the preparation for and attendance at Court hearings.

#### **Meetings:**

35. This category includes time expended by Applicant for preparation for and attendance at daily meetings with the Debtors' Board of Directors, Executive Committee, senior management and the Debtors' in-house counsel. The Applicant also prepared for and attended

weekly (and at times, daily) meetings with the Committee and its counsel. Applicant also prepared for and attended internal meetings with its professionals regarding case assignments, staffing and emergent legal issues.

36. Applicant met with numerous individual creditors in order to negotiate and resolve disputes to avoid costly litigation. Applicant expended 154 hours of time for a charge of \$72,305 for services rendered with respect to preparation and attendance at meetings.

#### **Employee Benefits:**

- 37. This category includes time expended by Applicant with respect to employee benefits and severance issues. Applicant analyzed and reviewed the Debtors' prepetition employee programs and devised new programs for KERP and the payment of severance. In connection therewith, the Applicant researched and drafted legal memoranda regarding KERP, employee severance and the WARN Act. Applicant drafted and filed motions regarding KERP and employee severance and negotiated with the Committee regarding any objections to these programs.
- 38. Applicant expended 70.7 hours of time for a charge of \$22,112.50 for services rendered with respect of matters relating to employee benefits.

#### Litigation:

- 39. This category includes time expended by Applicant with respect to litigation, including preparation for contested hearings, conducing discovery, drafting motions and memorandum of law, defending depositions, examination of documents, discussions with opposing counsel, preparation of exhibits and schedules, conferences and settlement discussions.
- 40. During the Compensation Period, Applicant was involved with litigation concerning the following entities:

- <u>Winstar</u>: The Debtors sought to compel the payment for services provided by the Debtors to Winstar.
- <u>Verizon</u>: The Debtors negotiated for the turnover of funds held by Verizon in connection with the sale of certain debt instruments. This matter has been consensually settled.
- <u>WMATA</u>: The Debtors sought to enjoin WMATA from violating and terminating certain license agreements with the Debtors in violation of the automatic stay.
- <u>CSX</u>: The Debtors opposed CSX's motion to lift the stay in order to terminate its contract with the Debtors.
- <u>XO Communications</u>: The Debtors sought a determination of adequate assurance for XO Communications services to the Debtors.
- <u>Network Plus:</u> The Debtors pursued Network Plus for prepetition and postpetition arrears.
- <u>Adelphia</u>: The Debtors prepared a motion to compel assumption and/or rejection of certain executory contracts.
- <u>Far Hills</u>: The Debtors are seeking collect certain postpetition arrears in Far Hills' bankruptcy.
- <u>Lexent</u>: The Debtors are seeking a turnover of certain equipment in Lexent's possession.
- NYS Attorney General Investigation: Applicant responded to an investigation by the NYS Attorney General's office.
- 41. Many of these disputes are ongoing and required automated library research, drafting motions and memorandum of law, conducting discovery including depositions and document review, as well as attending hearings and presenting oral arguments before the Court. Applicant vigorously prosecuted and/or defended these actions and has always attempted to negotiate and resolve these disputes to avoid costly litigation.
- 42. In connection with certain of these disputes, Applicant successfully negotiated and drafted numerous stipulations of settlement that have been presented before this Court.

  Applicant believes that these efforts saved the estates an enormous amount of money by limiting litigation costs whenever possible.
- 43. Applicant also provided services to the Debtors in connection with the contested motions to use cash collateral, as well as the turnover of property of the estate from various entities. During the Compensation Period, the discovery for the contested proceedings included, but was not limited to, conducting and defending depositions, examination of documents,

discussions with opposing counsel, preparation of exhibits and settlement discussions. Applicant also researched issues relating to the valuation of secured party's collateral and adequate protection and other claims issues.

44. Applicant expended 859.2 hours of time for a charge of \$277,643.50 for services rendered with respect of matters relating to litigation.

#### **Cash Collateral:**

- 45. This category includes time expended by Applicant with respect to the Debtors' requests for the use of cash collateral. Applicant negotiated with the Debtors' secured lenders, the Committee, and had numerous discussions with Debtors' senior management regarding the covenants, provisions and budget for the use of cash collateral. Applicant negotiated and drafted an interim application and order, a final application and order and extensions of the final order for use of cash collateral during the Compensation Period. Applicant also reviewed and responded to various objections to the use of cash collateral as well as responded to concerns from various creditor groups.
- 46. Applicant expended 101.3 hours of time for a charge of \$42,980 for services rendered with respect to the handling of matters relating to Debtors' use of cash collateral.

#### **SEC Investigation:**

- 47. This category includes time expended by Applicant with respect to the SEC's investigation of the Debtors. Applicant responded to subpoenas and document requests by the SEC, reviewed documents to be produced in connections with such inquiry and created privilege and discovery logs in connection therewith. Applicant also prepared witnesses in connection with the SEC's interviews of certain senior management.
- 48. Applicant expended 493.9 hours of time for a charge of \$114,021.50 for services rendered with respect to the handling of matters relating to Debtors' SEC Investigation.

#### **Bank and Committee Motion:**

- 49. This category includes time expended by the Applicant opposing the Joint Motion of the Committee and certain Senior Secured Noteholders to Appoint a Responsible Party (the "Motion") which was recently resolved. The Applicant had numerous discussions with the Debtors' Board of Directors and senior management to resolve the issues presented by the Motion. Applicant successfully negotiated a joint settlement which included significant modifications of the corporate governance of the Debtors including the retention of a new chief restructuring officer and a revised Executive Committee of the Board of Directors. Applicant researched issues regarding corporate governance and drafted objections and memorandum of law in opposition to the Motion. Applicant reviewed documents in connection with discovery requests and negotiated and prepared a stipulated order in connection with the settlement of the dispute underlying the Motion.
- 50. Applicant expended 229.8 hours of time for a charge of \$98,112.50 for services rendered with respect to the handling of matters relating to the Motion.

#### **COMPENSATION REQUESTED**

- 51. Applicant has maintained contemporaneous time records which indicate the time that each attorney has spent working on a particular matter and the nature of the work performed. Copies of these time records are annexed to this Application as **Exhibit "C"**. The total number of hours expended by Applicant's attorneys and para-professionals from May 20, 2002 through August 31, 2002 in conjunction with this case is **5020.9**. All of the services have been rendered by the those individuals at Applicant's firm as listed on the Applicant's Personnel Chart attached hereto.
- 52. The foregoing summarizes and describes the services performed by Applicant on behalf of the Debtors during the Compensation Period. The summary is intended, however, only

to highlight the general categories of services performed by Applicant on behalf of the Debtors. It is not intended to set forth each and every item of professional services which Applicant performed.

53. Annexed as **Exhibit "D"** is a list of the necessary and actual disbursements incurred during the Compensation Period in connection with the above-described work. The list is derived from the information [found at pages 6-25 of the Case Administration] project category in **Exhibit "C"**. These records indicate that Applicant has advanced and will have advanced, from May 20, 2002 through and including August 31, 2002, the sum of \$104,370.26 in necessary and actual out-of-pocket expenses. In connection with said expenses, it should be noted that Applicant charges \$1.00 per page for outgoing telefacsimilies with no charge for incoming telefacsimilies, 15¢ per page for photocopying and charges for meals only necessitated by meetings with the Debtors or when Applicant's personnel would work on these cases through a normal meal period.

#### **MATTERS PERTAINING TO APPLICANT**

- 54. Applicant rendered all the professional services for which compensation is requested herein in connection with the Debtors' Chapter 11 cases in furtherance of Applicant's professional responsibilities as attorneys for the Debtors.
- 55. This Application covers a period of approximately 100 days. During that time, the partners, associates and para-professionals of Applicant devoted substantial time in rendering professional services to the Debtors, all of which time was reasonable and necessary.
- 56. Applicant, by experience, training and ability, is fully qualified to perform the services for which compensation is sought here. Applicant represents or holds no interest adverse to the Debtors with respect to the matters upon which it is engaged.

- 57. No agreement or understanding exists between Applicant and any other entity for the sharing of compensation to be received for services rendered in or in connection with these Chapter 11 cases. The Debtors, in contemplation of or in connection with services rendered or to be rendered in connection with the Debtors' Chapter 11 cases post-petition, paid the Applicant a general retainer in the amount of \$265,000. Pre-petition fees and costs were paid in the amount of \$300,000 for services rendered during the months of March, April and a portion of May, 2002.
- 58. Applicant respectfully submits that the professional services it rendered during the Compensation Period to the Debtors were necessary and beneficial to the Debtors and respectfully requests that this Court allow and direct the Debtors to pay Applicant the sum of \$1,542,191 for its services during the Compensation Period, plus the sum of \$104,370.26, representing Applicant's actual and necessary out-of-pocket disbursements incurred during the Compensation Period, for a total of \$1,646,561.26.
- 59. No prior application for the relief sought herein has been made to this or any other Court, except as specified herein.

#### **NOTICE**

Copies of the Notice and Application has been served upon to those parties on the master service list with an opportunity to get a copy of Exhibit "C" to the Application from the Applicant free of charge. A complete copy of the Application with Exhibit "C" has been sent to counsel for the Committee and the U.S. Trustee for the Southern District of New York.

#### CONCLUSION

WHEREFORE, Kronish Lieb Weiner & Hellman LLP hereby respectfully requests that this Court to enter an order: (a) approving and allowing (i) compensation of Kronish Lieb Weiner & Hellman LLP for its duly authorized, necessary and valuable service to the Debtors during the Compensation Period in the aggregate amount of \$1,542,191 and (ii) reimbursement to Kronish Lieb Weiner & Hellman LLP for actual and necessary expenses incurred during the Compensation Period in connection with the aforesaid services in the aggregate amount of \$104,370.26; (b) directing the Debtors to pay said amounts to Applicant; and (c) granting such other and further relief as this Court deems just and proper.

Dated: New York, New York October 9, 2002

KRONISH LIEB WEINER & HELLMAN LLP Counsel for the Debtors 1114 Avenue of the Americas New York, NY 10036 (212) 479-6000

By: /s/ Lawrence C. Gottlieb
Lawrence C. Gottlieb (LG-2565)
A Member of the Firm

#### **EXHIBIT "A"**

KRONISH LIEB WEINER & HELLMAN LLP 1114 Avenue of the Americas New York, NY 10036 (212) 479-6000 Lawrence C. Gottlieb (LG 2565) Richard S. Kanowitz (RK 0677)	Hearing Date: November 7, 2002 at 11 a.m. Objection Deadline: October 30, 2002 at 5 p.m.
Counsel for Metromedia Fiber Network, Inc., <u>et al.</u> Debtors and Debtors in Possession	
UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK	
In re:  METROMEDIA FIBER NETWORK, INC., et al.,  Debtors.	Chapter 11  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)
CERTIFICATION	
STATE OF NEW YORK ) ) ss: COUNTY OF NEW YORK )	

LAWRENCE C. GOTTLIEB, being first duly sworn, deposes and says;

- 1. I am a member of the firm of Kronish Lieb Weiner & Hellman LLP ("Applicant") counsel to Metromedia Fiber Network, Inc. and its debtor subsidiaries (the "Debtors") herein.
- 2. I have read the foregoing first interim application (the "Application") for compensation by Applicant and know the contents thereof. The contents of the Application are

true to the best of my knowledge, except as to matters therein alleged to be upon information and belief, and as to those matters, I believe them to be true. I have personally performed many of the legal services rendered by Applicant and am thoroughly familiar with all other work performed on behalf of the Debtors by the attorneys and para-professionals in the firm.

3. In accordance with Bankruptcy Rule 2016(a) and section 504 of the Bankruptcy Code, no agreement or understanding exists between the Applicant and any other person for the sharing of compensation to be received in connection with the within case.

/s/ Lawrence C. Gottlieb
Lawrence C. Gottlieb, Esq.

Sworn to before me this 9th day of October, 2002

/s/ Theresa Hammond
Notary Public

THERESA K. HAMMOND Notary Public, State of New York No. 4650925 Qualified in Suffolk County Commission Expires July 31, 2005

#### **EXHIBIT "B"**

## METROMEDIA FIBER NETWORKS, INC. <u>et al.</u> PERIOD MAY 20, 2002 THROUGH AUGUST 31, 2002

	SUBJECT MATTER CATEGORIES	HOURS DURING PERIOD	AMOUNT
1.	Case Administration	969.50	\$242,469.50
2.	Leases/Executory Contracts	975.70	\$269,835.50
3.	Business Operations and Plan	96.70	\$34,310.50
4.	Financing	15.90	\$6,531.00
5.	Retention/Profession Compensation/Fee Statements	187.70	\$58,646.50
6.	Claims	168.00	\$44,788.00
7.	Plan and Disclosure Statement	8.70	2,748.00
8.	Asset Dispositions	557.60	\$205,353.50
9.	Preparation For/Attend Court Hearing	132.20	\$50,333.50
10.	Meetings	154.00	\$72,305.00
11.	Employee Benefits	70.70	\$22,112.50
12.	Litigation	859.20	\$277,643.50
13.	Cash Collateral	101.30	\$42,980.00
14.	SEC Investigation	493.90	\$114,021.50
15.	Bank and Committee Motion	229.80	\$98,112.50
	TOTAL	5020.90	\$1,542,191.00

#### **Applicant's Personnel**

Name of Professional Person	Position with Ap and Year Adm		Hourly Billing Rate	Total Billed Hours	Total Compensation
Ralph J. Sutcliffe	Partner	1969	\$625	26.90	\$16,812.50
Malcolm I. Ross	Partner	1976	\$600	90.10	\$54,060.00
Richard Lieb	Partner	1954	\$590	3.20	\$1,888.00
Lawrence C. Gottlieb	Partner	1974	\$590	321.80	\$189,862.00
William J. Schwartz	Partner	1979	\$570	60.30	\$34,371.00
Paul Ritter	Partner	1980	\$500	6.10	\$3,050.00
James A. Beldner	Partner	1974	\$495	31.70	\$15,691.50
Steve M. Cohen	Partner	1989	\$495	12.20	\$6,039.00
Jay R. Indyke	Partner	1982	\$485	3.80	\$1,843.00
William H. O'Brien	Partner	1978	\$475	22.00	\$10,450.00
Thomas D. O'Connor	Partner	1989	\$425	43.80	\$18,615.00
Cathy Herschcopf	Partner	1987	\$425	125.90	\$53,507.50
Maria E. Russo	Partner	1981	\$425	1.10	\$467.50
Ronald R. Sussman	Counsel	1979	\$475	175.90	\$83,552.50
Phillip J. Gall	Partner	1995	\$475	6.50	\$3,087.50
Robert A. Boghosian	Special Counsel	1988	\$400	56.40	\$22,560.00
Maureen Hannon	Special Counsel	1989	\$395	32.20	\$12,719.00
Patrice D. Stavile	Special Counsel	1987	\$395	54.30	\$21,448.50
Charles J. Shaw	Associate	1985	\$395	8.50	\$3,357.50
Eric J. Haber	Special Counsel	1984	\$390	53.80	\$20,982.00
Jill M. Orlich	Associate	1992	\$390	181.90	\$70,941.00
Michael D. Paley	Associate	1993	\$390	6.60	\$2,574.00
Richard S. Kanowitz	Associate	1994	\$360	657.40	\$236,664.00
Lynn D. Horwitz	Associate	1995	\$360	1.30	\$468.00

Name of Professional Person	Position with Applicant and Year Admitted		Hourly Billing Rate	Total Billed Hours	Total Compensation
Katherine E. Olsen	Associate	1996	\$335	77.40	\$25,929.00
Zev Bromrind	Associate	1996	\$310	23.90	\$7,409.00
Jonathan I. Shapiro	Associate	1998	\$310	26.75	\$8,292.50
Nicholas Smithberg	Associate	1995	\$285	16.50	\$4,702.50
Shelly L. Friedland	Associate	1997	\$285	117.50	\$33,487.50
Jonathan S. Botwinick	Associate	1997	\$260	150.00	\$39,000.00
Jacob J. Frohman	Associate	1999	\$235	95.60	\$22,466.00
Gregory G. Plotko	Associate	1999	\$235	410.60	\$96,491.00
Christopher A. Jarvinen	Associate	2000	\$235	11.60	\$2,726.00
Patrick McCloskey	Associate	1999	\$235	10.20	\$2,397.00
Erica L. Blank	Associate	2000	\$235	19.60	\$4,606.00
Bethanne D. Haft	Associate	1993	\$220	35.40	\$7,788.00
Jeffrey L. Cohen	Associate	2000	\$220	243.00	\$53,460.00
John P. Oleske	Associate	2002	\$220	43.50	\$9,570.00
Joanna L. Bergman	Associate	2002	\$205	396.50	\$81,282.50
Ryan M. Papir	Associate	2002	\$205	109.70	\$22,488.50
Brent Weisenberg	Associate	2002	\$205	454.00	\$93,070.00
Neda Barzideh	Summer Associate	_	\$205	21.30	\$4,366.50
Melissa S. Harrison	Summer Associate		\$205	15.30	\$3,136.50
Seth Van Aalten	Summer Associate	_	\$205	18.50	\$3,792.50
Marisa Megur	Associate	2002	\$205	93.40	\$19,147.00
David Fleischer	Legal Assistant	<u>-</u>	\$190	79.10	\$15,029.00
Rebecca Goldstein	Legal Assistant		\$170	230.80	\$39,236.00
Novica Petrovski	Legal Assistant	_	\$170	113.10	\$19,227.00
Jed M. Schwartz	Legal Assistant		\$170	158.60	\$26,962.00
Greig S. Bennett	Legal Assistant		\$170	65.40	\$11,118.00

Name of Professional Person	Position with Applicant and Year Admitted	Hourly Billing Rate	Total Billed Hours	Total Compensation
Grand Total Fees				\$1,542,191.00
Total Hours				5020.90
Blended Rate				\$341.00

KRONISH LIEB WEINER & HELLMAN LLP

By: /s/ Lawrence C. Gottlieb
Lawrence C. Gottlieb (LG-2565) A Member of the Firm

#### **EXHIBIT "C"**

Due to the voluminous nature of the time records, Applicant has not electronically filed said copies. Applicant will make the time records available to any party in interest, free of charge, upon request of Rebecca Goldstein, Kronish Lieb Weiner & Hellman LLP (telephone number (212) 479-6000.)

#### EXHIBIT "D"

#### METROMEDIA FIBER NETWORKS, INC. et al.

#### EXPENSE BREAKDOWN PERIOD MAY 20, 2002 THROUGH AUGUST 31, 2002

SUBJECT MATTER CATEGORIES	AMOUNT
Automated Library Research	\$48,021.12
Binding	\$168.00
Courier Service	\$2,696.05
Court Services (Court Reporters)	\$2,382.62
Fax	\$2,142.00
Filing Fees	\$12,450.00
Litigation Search	\$1,086.19
Local Transportation	\$3,046.48
Meals	\$2,690.42
Messenger	\$561.40
Other Word Processing & Secretarial	\$2,341.54
Outside Printing	\$4,391.25
Photocopy	\$15,155.25
Postage	\$307.30
Telephone	\$2,865.65
Travel	\$138.55
Word Processing	\$3,926.44
TOTAL	\$104,370.26