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Hearing Date: November 12, 2003 at 11:00 a.m.  
Objection Deadline: November 6, 2003 at 5:00 p.m.

Counsel for Metromedia Fiber Network, Inc., et al.  
Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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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)

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**FOURTH AND FINAL APPLICATION OF KRONISH LIEB WEINER &  
HELLMAN LLP, COUNSEL FOR THE DEBTORS, FOR FINAL  
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR  
THE PERIOD FROM JULY 1, 2003 THROUGH SEPTEMBER 7, 2003**

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"), in the above-captioned chapter 11 cases, respectfully represents:

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<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 fourth and final application (the "Application") for a final allowance of compensation and reimbursement of expenses pursuant to §§ 300 and 331 of chapter 11, title 11 of the United States Code (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 §§ 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 July 1, 2003 through September 7, 2003** (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 14, 2003, accompanying this Application, made on behalf of the Applicant by Lawrence C. Gottlieb, Esq. (the "Certification"). The Certification is attached hereto as "**Exhibit A**".

3. This Application seeks an allowance of compensation in the amount of **\$967,429.87** representing Applicant's actual time charges after a voluntary discount of **\$84,345.63** for **3,542.35** hours of services rendered during the Compensation Period and reimbursement for expenses in the amount of **\$114,995.77** incurred by (or first billed by outside

vendors to) the Applicant and recorded during the Compensation Period, all as more fully set forth below.

4. Pursuant to an agreement with the Debtors, Applicant has voluntarily granted the Debtors a 10% discount on fees greater than \$250,000 and less than \$400,000 and a 25% discount on fees greater than \$400,000. The total amount of the discount given to the Debtors during this Compensation Period is **\$84,345.63**. The fees requested are broken as follows:

| <b>Month</b>  | <b>Fees</b>           | <b>Discount Given</b> | <b>Net Fees Sought</b> |
|---------------|-----------------------|-----------------------|------------------------|
| July          | \$468,317.00          | \$32,079.25           | \$436,237.75           |
| August        | \$549,065.50          | \$52,266.38           | \$496,799.12           |
| September 1-7 | \$34,393.00           | \$0.00                | \$34,393.00            |
| Total         | <b>\$1,051,775.50</b> | <b>\$84,345.63</b>    | <b>\$967,429.87</b>    |

5. 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.

6. Furthermore, Applicant seeks entry of an order confirming the allowance of compensation and reimbursement of expenses for the period May 20, 2002 through June 30, 2003.

### **BACKGROUND**

7. On May 20, 2002 (the “Commencement Date”), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the clerk of this Court. After the Commencement Date, the Debtors continued in the management and operation of their businesses and properties as debtors in possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed. The cases are being jointly administered pursuant to an Order dated May 20, 2002.

8. On May 29, 2002, the Office of the U.S. Trustee for the Southern District of New York (the “U.S. Trustee”) appointed an eleven member official committee of unsecured creditors (the “Committee”), which has engaged Chadbourne & Parke, LLP as its counsel.

9. The Debtors, together with MFN’s non-debtor subsidiaries (collectively, the “Company”), provide 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.

10. 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.

#### **The Debtors’ Plan Of Reorganization**

11. On March 13, 2003, the Debtors filed the *Plan Of Reorganization Of Metromedia Fiber Network, Inc., Et Al.* with the Court. See Docket No. 1298. On July 2, 2003, the Debtors filed their *Second Amended Plan Of Reorganization Of Metromedia Fiber Network, Inc., Et Al.* with the Court. See Docket No. 1690. Concurrently therewith, the Debtors filed their *Amended Disclosure Statement And Summary Of Plan Distributions For Holders Of Claims And Equity*

*Interests With Respect To The Second Amended Plan Of Reorganization Of Metromedia Fiber Network, Inc. Et Al* (the “Disclosure Statement”). See Docket No. 1689.

12. On July 2, 2003, the Disclosure Statement was approved by order of this Court (the “Disclosure Statement Approval Order”). See Docket No. 1704.

13. On July 16, 2003, the Debtors filed the *Disclosure Statement And Summary Of Plan Distributions For Holders Of Claims And Equity Interests With Respect To The Second Amended Plan Of Reorganization Of Metromedia Fiber Network, Inc., Et Al.* as well as the *Second Amended Plan Of Reorganization Of Metromedia Fiber Network, Inc., Et Al.* (the “Plan”). See Docket No. 1746.

14. The Plan was confirmed, by Order of this Court, on August 21, 2003 (the “Confirmation Order”). See Docket No. 1988. The Plan became effective on September 8, 2003.

#### **APPLICANT’S RETENTION AND PRIOR FEE APPLICATIONS**

15. On May 20, 2002, the Debtors filed an application to employ the Applicant as their counsel pursuant to § 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.

16. On November 7, 2002, the Court awarded Applicant \$1,542,191.00 for services rendered and \$104,370.26 for expenses incurred during the time period of May 20, 2002 to August 31, 2002.

17. On March 28, 2003, the Court awarded Applicant \$2,148,019.85 for services rendered and \$92,560.06 for expenses incurred during the time period of September 1, 2002 to January 31, 2003.

18. On August 19, 2003, the Court awarded Applicant \$2,519,049.99 for services rendered and \$135,921.75 for expenses incurred during the time period of February 1, 2003 to June 30, 2003.

**SERVICES RENDERED DURING PRESENT COMPENSATION  
PERIOD OF JULY 1, 2003 THROUGH SEPTEMBER 7, 2003**

19. To apprise this Court of the legal services rendered during the Compensation Period, Applicant sets forth the following summary of legal services rendered.

20. During the Compensation Period, Applicant's services to the Debtors has included professional advice and representation in connection with discreet categories in these chapter 11 proceedings. 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 **\$967,429.87** for services rendered during the Compensation Period and reimbursement of expenses in the amount of **\$114,995.77**.

21. The following is a breakdown of the services rendered by the Applicant during the Compensation Period in each of the discreet categories.

**Case Administration:**

22. 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, electronic filings, calendaring dates with the Court as well as interaction with the U.S. Trustee, vendors, suppliers, and other professionals including the various secured creditor groups and the Committee. This category includes such activities as: electronic filings, preparation of motions and orders for service, scheduling, and staffing. Also included under this category is time devoted to assisting the Debtors in the preparation of monthly operating reports 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 cases and advised the Debtors regarding, *inter alia*: auditing and SEC issues, corporate governance, cash collateral, tax liability, director and officer liability and litigation and settlements with various creditor constituencies.

23. Applicant expended 293.70 hours of time for a charge of \$60,658.80 for services rendered with respect to the handling of matters relating to case administration.

**Leases and Executory Contracts:**

24. This category includes time expended by Applicant with respect to unexpired non-residential leases of real property and executory contracts of the Debtors. The Debtors have hundreds, if not thousands, of 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. In addition, Applicant assisted the Debtors in filing seven motions to assume and assign certain executory contracts to the Reorganized Entities (as defined in the Plan) in connection with the Plan.

25. From the Commencement Date through the date hereof, Applicant has assisted in the rejection of approximately 150 leases and scores of executory contracts.

26. Additionally, 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. In addition, Applicant filed a motion requesting an extension of the Debtors' time to assume or reject unexpired leases for nonresidential real property.

27. Specific examples of Applicant's services in connection with non-residential real property leases include, but are not limited to: (i) negotiating with Debtors' landlords at various co-location and database centers across the United States to either assume or reject current leases and to cap any administrative claims related to the former and (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 and reduce the monthly lease obligations. Applicant successfully re-negotiated the Debtors' lease obligations with certain landlords, which resulted in great savings for the estates and limited the Debtors' liabilities to these landlords.

28. Other specific examples of work done in connection with executory contracts include, but are not limited to: (i) resolving disputes as to rejection of executory contracts; (ii) negotiating with vendors regarding billing disputes and adequate assurance; (iii) filing motions to compel assumption/rejection and/or payment of administrative claims in other bankruptcy proceedings; (iv) negotiating and drafting stipulations of settlement with various executory contract holders. Applicant submits that these services provided great value to the estates by generating substantial savings and/or proceeds for the estates.

29. Applicant expended 214.40 hours of time for a charge of \$50,840.95 for services rendered with respect to the handling of matters relating to leases and executory contracts.

**Business Operation and Plan:**

30. This category includes time expended by Applicant with respect to the business operation and business issues of the Debtors.

31. Applicant expended 0.10 hours of time for a charge \$57.75 for services rendered with respect to the handling of these matters.

**Financing:**



32. This category includes time expended by Applicant, *inter alia*, reviewing certain loan agreements and note purchase agreements in connection with the Plan.

33. Applicant expended 25.10 hours of time for a charge of \$10,907.61 for services rendered with respect to the handling of matters relating to financing.

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

34. This category includes time expended by Applicant with respect to, *inter alia*, the retention and compensation of various professionals for the Debtors. Included in this category is Applicant's time spent reviewing and revising and/or drafting employment agreements for certain employees of the Debtors; and drafting the employee incentive plan for the Debtors.

35. Applicant also drafted the Applicant's third interim fee application and reviewed the fee applications of professionals retained by both the Debtors and the Committee.

36. Applicant expended 95.70 hours of time for a charge of \$38,372.20 for services rendered with respect to the handling of matters relating to the retention of professionals.

**Claims:**

37. This category includes time expended by Applicant with respect to various claims against the Debtors. Included in this category are: services rendered relating to numerous conference calls with creditors concerning their claims; reviewing and negotiating with creditors regarding an abundant amount of claim disputes and drafting proofs of claims and administrative claims in other bankruptcy proceedings.

38. The Applicant spent a significant amount of time negotiating with and settling numerous claims filed against the Debtors' estates and has been analyzing the claims of certain creditors in anticipation of various claims objections. Applicant analyzed the validity, extent and priority of those claimants with alleged security interests in the Debtors' assets. Additionally, Applicant prepared motions to compel administrative payments against various of the Debtors'

customers. In addition, Applicant researched issues pertaining to set-off and recoupment, the automatic stay and other pertinent provisions of the Bankruptcy Code.

39. In addition, the Applicant spent a significant amount of time preparing and filing the seventh omnibus objection to claims of certain creditors (the “Claims Objection”). The Claims Objection embodies the Debtors efforts to review each of the thousands of claims from hundreds of creditors in order to achieve its goal of streamlining the reorganization process and maximize distributions to creditors. In connection with the Claims Objection, the Applicant spent a large amount of time reviewing and responding to various creditors’ responses to the Claims Objection.

40. Specific examples of Applicant’s services in connection with claims include, but are not limited to: (i) *Debtors’ Motion Under 11 U.S.C. Section 502(c) For Estimation Of Claims Of Certain Claimants*; (ii) *Stipulation And Agreed Order Between The Debtors And Northern Virginia Electric Cooperative For Entry Of An Order Regarding Settlement Of Northern Virginia Electric Cooperative’s Pre-Petition Claim*; and (iii) *Stipulation Between The Port Authority Of New York And New Jersey And Debtors For Entry Of An Order Regarding Payment Of The Port Authority Of New York And New Jersey’s Pre-Petition Claim*.

41. Applicant expended 357.60 hours of time for a charge of \$86,317.05 for services rendered with respect to the handling of matters relating to claims.

**Plan and Disclosure Statement:**

42. This category includes time expended by Applicant preparing the Debtors’ Plan, including negotiations, meetings and conference calls with Debtors’ management, counsel for the Committee and other creditor constituencies regarding the provisions of the Plan. In general, Applicant spent the bulk of its time during the Compensation Period formulating and drafting the Plan and Disclosure Statement.

43. During the Compensation Period, Applicant played a vital role in negotiating, drafting and finalizing the Plan and Disclosure Statement. Applicant reviewed and responded to several objections to the Plan. Applicant engaged in extensive negotiations with the Debtors' various constituencies as well as the objectors in order to arrive at a consensual plan of reorganization. The negotiations with various constituencies took a tremendous amount of time which assisted the Debtors confirmation of their Plan on August 21, 2003.

44. Additionally, Applicant drafted a fourth motion to extend the Debtors' time for exclusivity, which was subsequently granted by the Court.

45. Applicant expended 900.10 hours of time for a charge of \$281,279.55 for services rendered with respect to the handling of these matters relating to the plan and disclosure statement.

**Asset Dispositions:**

46. This category includes time expended by Applicant with respect to the closing of the sale of the assets of Paix.net, Inc. as well as seeking to ensure that certain parties were bound by the Court's prior order which approved the TCG asset sale.

47. Applicant expended 53.20 hours of time for a charge of \$13,493.58 for services rendered with respect to the handling of these matters relating to asset dispositions.

**Preparation For and Attending Court Hearings:**

48. This category includes time expended by Applicant preparing for and attending Court hearings on matters related to these cases. 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 potential evidentiary hearings.

49. The majority of the time expended in this category is for preparation and attendance at hearings regarding the following issues: motions to reject certain leases and

executory contracts; litigation to recover estate property; as well as litigation concerning various claim disputes. Applicant also spent a significant amount of time at the hearing to approve the Disclosure Statement and the Confirmation Hearing. In connection with 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.

50. Applicant spent 185.20 hours of time for a charge of \$68,646.88 for services rendered with respect to the handling of matters relating to the preparation for and attendance at Court hearings.

**Meetings:**

51. This category includes time expended by Applicant for preparation for and attendance at meetings with the Debtors' Board of Directors, Executive Committee, senior management and/or the Debtors' in-house counsel. The Applicant also prepared for and attended meetings with the Committee and its counsel. Applicant also prepared for and attended internal meetings regarding case assignments, staffing and emergent legal issues including: tax litigation, plan formulation, disclosure statement formulation, responses to plan confirmation objections and post-confirmation corporate structure issues.

52. Applicant expended 23.60 hours of time for a charge of \$9,579.29 for services rendered with respect to preparation and attendance at meetings.

**Asset Analysis:**

53. This category includes time expended by Applicant analyzing the Debtors' assets. Applicant expended no time in this category during the Compensation Period.

**Employee Benefits:**

54. This category includes time expended by Applicant with respect to employee benefits and severance issues. Applicant expended no time in this category during the Compensation Period.

**Litigation:**

55. This category includes time expended by Applicant with respect to litigation, including preparation for contested hearings, conducting discovery, drafting motions and memoranda of law, defending depositions, examination of documents, discussions with opposing counsel, preparation of exhibits and schedules, conferences and settlement discussions.

56. During the Compensation Period, Applicant was involved with litigation concerning the following entities:

- Call-Net: Call-Net initiated an adversary proceeding, seeking declaratory relief in connection with an IRU Fiber Exchange Agreement. The Court approved the Debtors settlement with Call-Net.
- Fibernet: The Debtors moved to compel payment. This litigation is still ongoing and the parties are discussing a consensual resolution.
- Knight Securities: Knight Securities, L.P. initiated an adversary proceeding against the Debtors, seeking declaratory relief as well as damages based on breach of contract. The Debtors counterclaimed, seeking \$1.8 million in damages based on breach of contract. This matter was settled and approved by the Court.
- Lexent and Lucent: Certain of the Debtors have commenced adversary proceedings against Lexent and Lucent seeking, *inter alia*, to reclassify claims of such creditor defendants, as General Unsecured Claims (as defined in the Plan). The Debtors entered into stipulations resolving this litigation as well as similar litigation regarding the Bechtel claims, the Exelon claims, the Heathorn claims and the Edwards & Kelcey claims in which the holders of such claims consented to their respective treatment under the Plan.

57. Many of the disputes with parties in interest are ongoing and require automated library research, drafting motions and memoranda 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 contested

proceedings and has always attempted to negotiate and resolve these disputes to avoid costly litigation.

58. As indicated above, in connection with certain of these disputes, Applicant successfully negotiated and drafted numerous stipulations of settlement that have been approved by this Court. Applicant believes that these efforts saved the estates an enormous amount of resources by limiting litigation costs whenever possible.

59. Applicant expended 1026.65 hours of time for a charge of \$275,183.36 for services rendered with respect to matters relating to litigation.

**Cash Collateral:**

60. This category includes time expended by Applicant with respect to the Debtors' requests for the use of cash collateral.

61. Applicant expended 1.70 hours of time for a charge of \$528.56 for services rendered with respect to the handling of matters relating to Debtors' use of cash collateral.

**SEC Investigation:**

62. This category includes time expended by Applicant with respect to the SEC's investigation of the Debtors. Applicant spent a significant amount of time reviewing documents to be produced in connection with subpoenas and document requests by the SEC and created privilege logs in connection therewith. Applicant also conducted legal research on the attorney client privilege.

63. Applicant expended 344.50 hours of time for a charge of \$65,621.80 for services rendered with respect to the handling of matters relating to Debtors' SEC Investigation.

**Bank and Committee Motion:**

64. This category includes time expended by the Applicant with respect to the bank and Committee Motion. The time billed to this category was billed in error and should have been billed to litigation.

65. Applicant expended 1.20 hours of time for a charge of \$249.72 for services rendered with respect to the handling of matters relating to the bank and Committee Motion.

### **Section 505 Litigation**

66. This category includes time expended by the Applicant in prosecuting adversary proceedings against various taxing authorities under § 505 of the Bankruptcy Code, seeking to reduce massive personal property tax claims against the Debtors. During the Compensation Period, Applicant, *inter alia*, reviewed the Court's decision regarding the adversary proceedings against various taxing authorities and reviewed and revised the order dismissing the Debtors' § 505 complaints.

67. Applicant expended 19.60 hours of time for a charge of \$5,692.77 for services rendered with respect to the handling of matters relating to § 505 tax litigation.

### **COMPENSATION REQUESTED**

68. 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 July 1, 2003 through September 7, 2003 in conjunction with this case is **3,542.35**. All of the services have been rendered by those individuals at Applicant's firm as listed on the Applicant's personnel chart attached hereto.

69. 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 service which Applicant performed.

70. 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 Applicant’s books and records. These records indicate that Applicant has advanced and will have advanced, from July 1, 2003 through and including September 7, 2003, the sum of **\$114,995.77** 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**

71. Applicant rendered all of 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.

72. This Application covers a period of approximately 65 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.

73. 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.



74. 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.

75. 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 **\$967,429.87** for its services during the Compensation Period, plus the sum of **\$114,995.77** representing Applicant's actual and necessary out-of-pocket disbursements incurred during the Compensation Period, for a total award of **\$1,082,425.64**.

#### **NOTICE AND PRIOR APPLICATION**

76. Copies of the notice of applications and Application have been served upon those parties on the Master Service List with an opportunity to receive 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.

77. No prior application for the relief sought herein has been made to this or any other Court, except as specified herein.

#### **CONCLUSION**

**WHEREFORE**, Kronish Lieb Weiner & Hellman LLP hereby respectfully requests that this Court 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 **\$967,429.87** 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 **\$114,995.77**; (b) directing the Debtors to pay said amounts to Applicant; (c)

approving all previous fees and expenses paid to the Applicant and (d) granting such other and further relief as this Court deems just and proper.

Dated: New York, New York  
October 14, 2003

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)

Counsel for Metromedia Fiber Network, Inc., et al.  
Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

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Debtors.

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Chapter 11

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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 fourth and final 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 § 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  
14<sup>th</sup> day of October, 2003

/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 NETWORK, INC. et al.**

**PERIOD JULY 1, 2003 THROUGH SEPTEMBER 7, 2003**

| <b>SUBJECT MATTER CATEGORIES</b> |  | <b>HOURS DURING PERIOD</b> | <b>AMOUNT</b>       |
|----------------------------------|--|----------------------------|---------------------|
| 1.                               | Case Administration                              | 293.70                     | \$60,658.80         |
| 2.                               | Leases/Executory Contracts                       | 214.40                     | \$50,840.95         |
| 3.                               | Business Operations and Plan                     | 0.10                       | \$57.75             |
| 4.                               | Financing  | 25.10                      | \$10,907.61         |
| 5.                               | Retention/Profession Compensation/Fee Statements | 95.70                      | \$38,372.20         |
| 6.                               | Claims   | 357.60                     | \$86,317.05         |
| 7.                               | Plan and Disclosure Statement                    | 900.10                     | \$281,279.55        |
| 8.                               | Asset Dispositions                               | 53.20                      | \$13,493.58         |
| 9.                               | Preparation For/Attend Court Hearing             | 185.20                     | \$68,646.88         |
| 10.                              | Meetings   | 23.60                      | \$9,579.29          |
| 11.                              | Asset Analysis                                   | 0.00                       | \$0.00              |
| 12.                              | Employee Benefits                                | 0.00                       | \$0.00              |
| 13.                              | Litigation                                       | 1026.65                    | \$275,183.36        |
| 14.                              | Cash Collateral                                  | 1.70                       | \$528.56            |
| 16.                              | SEC Investigation                                | 344.50                     | \$65,621.80         |
| 17.                              | Bank and Committee Motion                        | 1.20                       | \$249.72            |
| 18.                              | Garofalo Litigation                              | 0.00                       | \$0.00              |
| 19.                              | Section 505 Tax Claims                           | 19.60                      | \$5,692.77          |
|                                  | <b>TOTAL</b>                                     | <b>3542.35</b>             | <b>\$967,429.87</b> |

**APPLICANT'S PERSONNEL**

| <b>Name of Professional Person</b> | <b>Position with Applicant and Year Admitted</b> | <b>Hourly Billing Rate</b> | <b>Total Billed Hours</b> | <b>Total Compensation</b> |
|------------------------------------|--|----------------------------|---------------------------|---------------------------|
| Ralph J. Sutcliffe                 | Partner 1969                                     | \$655                      | 30.50                     | \$18,599.50               |
| Lawrence C. Gottlieb               | Partner 1974                                     | \$620                      | 58.20                     | \$33,015.74               |
| William J. Schwartz                | Partner 1979                                     | \$600                      | 4.20                      | \$2,347.43                |
| Steven K. Weinberg                 | Partner 1972                                     | \$580                      | 13.20                     | \$6,927.37                |
| Paul Ritter                        | Partner 1980                                     | \$525                      | 59.30                     | \$28,487.62               |
| James A. Beldner                   | Partner 1974                                     | \$550                      | 48.50                     | \$24,135.91               |
| Ronald R. Sussman                  | Partner 1979                                     | \$500                      | 143.80                    | \$65,922.37               |
| Cathy Herschcopf                   | Partner 1987                                     | \$450                      | 7.00                      | \$2,850.16                |
| Jill M. Orlich                     | Associate 1992                                   | \$420                      | 98.20                     | \$38,047.71               |
| Lynn D. Horwitz                    | Associate 1995                                   | \$405                      | 13.50                     | \$4,947.05                |
| Richard S. Kanowitz                | Associate 1992                                   | \$405                      | 428.10                    | \$160,537.62              |
| Patrice D. Stavile                 | Special Counsel 1987                             | \$420                      | 3.80                      | \$1,486.67                |
| Charles J. Shaw                    | Associate 1985                                   | \$420                      | 28.10                     | \$10,678.67               |
| Shelly L. Friedland                | Associate 1997                                   | \$325                      | 168.60                    | \$50,596.40               |
| Zev Bromrind                       | Associate 1996                                   | \$350                      | 9.80                      | \$3,103.51                |
| Jonathan S. Botwinick              | Associate 1997                                   | \$300                      | 303.30                    | \$83,365.16               |
| Ari M. Berman                      | Associate 2000                                   | \$275                      | 6.40                      | \$1,592.46                |
| Jzaneen A. Lalani                  | Associate 1999                                   | \$275                      | 39.40                     | \$10,092.82               |
| Gregory G. Plotko                  | Associate 1999                                   | \$275                      | 170.00                    | \$42,639.07               |
| Jeffrey L. Cohen                   | Associate 2000                                   | \$250                      | 325.00                    | \$74,908.60               |
| Nicole Tuman                       | Associate 2001                                   | \$250                      | 8.00                      | \$1,862.99                |
| Robert H. Atkins                   | Associate 2003                                   | \$230                      | 199.80                    | \$42,086.65               |
| Joanna L. Bergmann                 | Associate 2002                                   | \$230                      | 92.70                     | \$19,473.16               |
| Brent Weisenberg                   | Associate 2002                                   | \$230                      | 105.50                    | \$22,555.22               |
| Marisa Megur                       | Associate 2002                                   | \$230                      | 3.70                      | \$792.70                  |
| Ryan M. Papir                      | Associate 2002                                   | \$230                      | 24.70                     | \$5,291.83                |

| <b>Name of Professional Person</b> | <b>Position with Applicant and Year Admitted</b> | <b>Hourly Billing Rate</b> | <b>Total Billed Hours</b> | <b>Total Compensation</b> |
|------------------------------------|--|----------------------------|---------------------------|---------------------------|
| Joseph M. Gitto                    | Associate 2001                                   | \$230                      | 349.60                    | \$73,888.53               |
| Caroline E. Demirs                 | Associate 2001                                   | \$250                      | 10.80                     | \$2,700.00                |
| Abraham Bennun                     | Associate 2000                                   | \$215                      | 158.60                    | \$31,247.94               |
| Nicolas B. Hoskins                 | Associate 2003                                   | \$215                      | 27.90                     | \$5,542.71                |
| Gordon C. Harriss                  | Associate 2003                                   | \$215                      | 98.10                     | \$19,534.09               |
| David Fleischer                    | Legal Assistant                                  | \$190                      | 17.20                     | \$3,044.10                |
| Rebecca Goldstein                  | Legal Assistant                                  | \$170                      | 89.20                     | \$14,005.22               |
| Brian Boggess                      | Legal Assistant                                  | \$170                      | 128.80                    | \$19,920.03               |
| Jed M. Schwartz                    | Legal Assistant                                  | \$170                      | 73.20                     | \$11,591.46               |
| David V. Kay                       | Legal Assistant                                  | \$170                      | 43.00                     | \$6,809.26                |
| Micah Boster                       | Legal Assistant                                  | \$170                      | 24.90                     | \$3,830.00                |
| Seth Blumenthal                    | Legal Assistant                                  | \$170                      | 67.85                     | \$10,587.32               |
| Marc Klein                         | Misc Timekeeper                                  | \$160                      | 17.70                     | \$2,605.04                |
| Anthony Dobson                     | Misc.  | \$150                      | 42.20                     | \$5,779.78                |
| <b>Grand Total Fees</b>            |  |                            |                           | <b>\$967,429.87</b>       |
| <b>Total Hours</b>                 |  |                            | <b>3542.35</b>            |                           |
| <b>Blended Rate (Approximate)</b>  |  |                            |                           | <b>\$273.10</b>           |

## **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 NETWORK, INC. et al.**

**EXPENSE BREAKDOWN**

**PERIOD JULY 1, 2003 THROUGH SEPTEMBER 7, 2003**

| <b>SUBJECT MATTER CATEGORIES</b> | <b>AMOUNT</b>       |
|----------------------------------|---------------------|
| Automated Library Research       | \$25,035.50         |
| Binding                          | \$156.00            |
| Courier Service                  | \$2,362.67          |
| Court Services                   | \$9,020.55          |
| CUSIP Fees                       | \$120.00            |
| Electronic Data Processing       | \$47,343.12         |
| Fax                              | \$647.00            |
| Filing Fees                      | \$1,132.85          |
| Litigation Messenger             | \$175.00            |
| Litigation Search                | \$2,110.78          |
| Local Transportation             | \$1,764.26          |
| Meals                            | \$2,740.94          |
| Mediation                        | \$2,703.71          |
| Messenger                        | \$953.95            |
| Outside Printing                 | \$11,371.29         |
| Photocopy                        | \$6,140.55          |
| Postage                          | \$85.64             |
| Telephone                        | \$1,131.96          |
| <b>TOTAL</b>                     | <b>\$114,995.77</b> |

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

----- X

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)

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**ORDER GRANTING FINAL COMPENSATION  
AND REIMBURSEMENT OF EXPENSES**

Upon the fourth and final applications (the “Applications”) for compensation and reimbursement of expenses of (a) Kronish Lieb Weiner & Hellman LLP, counsel for Metromedia Fiber Network, Inc. et al., Debtors and Debtors in Possession (the “Debtors”) (Docket No. \_\_\_\_); (b) Ingram Yuzek Gainen Carroll & Bertolotti LLP, special counsel for the Debtors (Docket No. \_\_\_\_); (c) Brusniak Harrison & McCool, P.C., special counsel for the Debtors (Docket No. \_\_\_\_); (d) Chadbourne & Parke LLP, counsel for the Committee (Docket No. \_\_\_\_); (e) J.H. Cohen LLP, accountants and financial advisors to the Committee (Docket No. \_\_\_\_); (f) Lazard Freres & Co, LLC, financial advisors to the Committee (Docket No. \_\_\_\_); (g) KPMG LLP, auditors and accounting advisors to the Debtors (Docket No. \_\_\_\_); (h) Zuckerman Spaeder LLP, special counsel to the Committee (Docket No. \_\_\_\_); (i) Ernst & Young LLP, tax advisors to the Debtors (Docket No. \_\_\_\_); and (j) Greenhill & Co. LLC, investment bankers to the Debtors (Docket No. \_\_\_\_) (collectively, the “Applicants”); and it appearing that the Court has jurisdiction to consider the Applications and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Standing Order of Referral of Cases to Bankruptcy Court Judges

of the District Court for the Southern District of New York, dated July 10, 1984 (Ward, Acting C.J.); and due notice of the Applications having been provided to those parties indicated in the Master Service List, and it appearing that no other or further notice need be provided; and it further appearing that the relief requested in the Applications is in the best interests of the Debtors and their estates and creditors; and a hearing having been held before this Court to consider the Applications on November \_\_, 2003; and after due deliberation and sufficient cause appearing therefor, it is hereby

**ORDERED**, that the Applications are granted for each of the Applicants in the amount set forth in Schedule "A" hereto for professional services rendered and for reimbursement of expenses incurred in the connection with the rendition of such services; and it is further

**ORDERED**, that the amount awarded to each Applicant is reasonable compensation for services rendered by such Applicant and is reasonable for expenses incurred in connection with the rendition of the professional services rendered; and it is further

**ORDERED**, the Debtors are authorized to pay the allowed amounts set forth in Schedule A hereto in the manner provided below; and it is further

**ORDERED**, that the amount of Interim Compensation allowed to each Applicant under this Order is provided pursuant to §§ 331 and 330 of the Bankruptcy Code; and it is further

**ORDERED**, that final compensation with respect to all amounts sought in the three previous interim periods by each Applicant for services rendered and expenses incurred is approved; and it is further

Dated: White Plains, New York  
November \_\_, 2003

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Honorable Adlai S. Hardin, Jr.  
United States Bankruptcy Judge

**SCHEDULE "A"**

**Case No: 02-22736**

**Case Name: Metromedia Fiber Network, Inc., et al.**

| <b>Professional</b>   | <b>Amounts Requested</b>     | <b>Time Period</b>                                  | <b>Docket Number</b> |
|---|------------------------------|---|----------------------|
| <b>Kronish Lieb Weiner &amp; Hellman LLP</b><br>Attn: Lawrence C. Gottlieb, Esq.<br>1114 Avenue of Americas<br>New York, NY 10036<br>Counsel to the Debtors   | Fees: \$<br><br>Expenses: \$ | July 1, 2003<br>through<br>September 7,<br><br>2003 |                      |
| <b>Ingram Yuzek Gainen Carroll &amp; Bertolotti LLP</b><br>Attn: Daniel L. Carroll<br>250 Park Avenue, 6 <sup>th</sup> Floor<br>New York, NY 10177<br>Special Counsel to the Debtors                                      | Fees: \$<br><br>Expenses: \$ | April 1, 2003<br>through<br>July 31, 2003           | 2132                 |
| <b>Chadbourne &amp; Parke LLP</b><br>Attn: David M. LeMay, Esq.<br>30 Rockefeller Plaza<br>New York, NY 10112<br>Counsel to the Committee   | Fees: \$<br><br>Expenses: \$ | July 1, 2003<br>through<br>September 7,<br>2003     |                      |
| <b>J.H. Cohn LLP</b><br>Attn: Clifford Zucker<br>333 Thornall Street, 6th Fl.<br>Edison, NJ 08837<br>-and-<br>1212 Avenue of the Americas<br>New York, NY 10036<br>Accountants and Financial<br>Advisors to the Committee | Fees: \$<br><br>Expenses: \$ | July 1, 2003<br>through<br>September 8,<br>2003     | 2140                 |
| <b>Lazard Freres &amp; Co, LLC</b><br>Attn: Naushon Vanderhoop<br>30 Rockefeller Plaza<br>New York, NY 10020<br>Financial Advisors to the<br>Committee  | Fees: \$<br><br>Expenses: \$ | July 1, 2003<br>through<br>September 7,<br>2003     |                      |

| <b>Professional</b>   | <b>Amounts Requested</b>     | <b>Time Period</b>                              | <b>Docket Number</b> |
|---|------------------------------|---|----------------------|
| <b>KPMG LLP</b><br>Attn: Mario Dell'Aera, Jr.<br>345 Park Avenue<br>New York, NY 10154<br>Auditors and Accounting<br>Advisors to the Debtors                              | Fees: \$<br><br>Expenses: \$ | July 1, 2003<br>through<br>September 7,<br>2003 | 2168                 |
| <b>Zuckerman Spaeder LLP</b><br>Attn: Norman L. Eisen, Esq.<br>1201 Connecticut Avenue,<br>N.W.<br>Washington, D.C. 20036-<br>2638<br>Special Counsel to the<br>Committee | Fees: \$<br><br>Expenses: \$ | July 1, 2003<br>through<br>July 31, 2003        |                      |
| <b>Ernst &amp; Young LLP</b><br>Attn: William Ruehl<br>1111 Summer Street<br>Stamford, CT 06905<br>Tax Advisors to the Debtors  | Fees: \$<br><br>Expenses: \$ | July 1, 2003<br>through<br>September 8,<br>2003 |                      |
| <b>Greenhill &amp; Co. LLC</b><br>Attn: Michael Kramer<br>300 Park Avenue<br>New York, NY 10022<br>Investment Bankers to the<br>Debtors                                   | Fees: \$<br><br>Expenses: \$ | October 1, 2002<br>through<br>August 31, 2003   | 2167                 |