

Hearing Date: January 11, 2005 @ 10:00 a.m.
Objection Deadline: January 4, 2004 @ 4:00 p.m.

Dennis J. Drebsky (DD 4579)
Richard J. Bernard (RB 6371)
NIXON PEABODY LLP
437 Madison Avenue
New York, New York 10022-7001
(212) 940-3000

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

In re:	:	Chapter 11
	:	
CHOICE ONE COMMUNICATIONS INC., <u>et al.</u> ,	:	Case No. 04-16433 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	

**FINAL APPLICATION OF NIXON PEABODY LLP,
SPECIAL COUNSEL TO THE DEBTORS, FOR COMPENSATION
AND REIMBURSEMENT OF EXPENSES FOR THE
PERIOD FROM OCTOBER 5, 2004 THROUGH NOVEMBER 9, 2004**

Name of Applicant:	Nixon Peabody LLP
Authorized to provide professional services to:	Debtors
Date of retention:	<i>Nunc Pro Tunc</i> to October 5, 2004
Period for which compensation is sought:	October 5, 2004 through November 9, 2004
Amount of compensation requested:	\$17,596.00
Amount of expense reimbursement requested:	\$127.39
Compensation previously requested:	n/a
Compensation previously awarded:	n/a
Expenses previously requested:	n/a
Expenses previously awarded:	n/a

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**UNITED STATES BANKRUPTCY COURT
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**FINAL APPLICATION OF NIXON PEABODY LLP,
SPECIAL COUNSEL TO THE DEBTORS, FOR COMPENSATION
AND REIMBURSEMENT OF EXPENSES FOR THE
PERIOD FROM OCTOBER 5, 2004 THROUGH NOVEMBER 9, 2004**

Pursuant to sections 327, 328, 329, 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”) and Fed. R. Bankr. P. 2016, Nixon Peabody, LLP (“Nixon Peabody”) respectfully submits this final application (the “Application”) for reasonable compensation for services rendered and reimbursement of expenses incurred as counsel to Choice One Communications Inc. (“Choice One”) and its direct and indirect subsidiaries (collectively, the “Debtors”), in the above-referenced cases for the period from October 5, 2004 through November 9, 2004 (the “Application Period”). By this Application, Nixon Peabody requests entry of an Order approving the sum of \$17,596.00 for professional services rendered and \$127.39 representing actual expenses incurred during the Application Period.

In further support hereof, Nixon Peabody states as follows:

Background

1. On October 5, 2004 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors have operated their business and managed their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed pursuant to section 1102 of the Bankruptcy Code.

2. The Debtors are an integrated communications provider offering a broad range of retail and wholesale facilities-based voice and data telecommunications services, primarily to small and medium-sized businesses in 29 second- and third-tier markets in twelve states in the northeastern and midwestern United States. The Debtors’ strategy for achieving increased profitability is to increase market share in the industries and geographical areas that they already serve by offering a single source for competitively priced, high quality, customized telecommunications services.

3. The Debtors’ services include local exchange service, long distance service, and value-added telecommunication services such as three-way conference calling, line rollover, call forwarding, call waiting, caller ID, voice mail, call pickup and distinctive ring. In certain markets the Debtors also originate and terminate interexchange calls placed or received by customers at no additional charge to them, and offer free local calling between client locations. The Debtors also offer high-speed data services.

4. The Debtors’ networks reach approximately 5.7 million business lines, which constitute approximately 72% of the estimated business lines in the markets they serve. As of December 31, 2003, the Debtors had network equipment collocated in 505 established telephone company central offices in such markets. All such collocations also include equipment to

provide digital subscriber loop (DSL) services. As of December 31, 2003, the Debtors provided service to 515,715 access lines.

5. As of June 30, 2004, Choice One's books and records reflected assets totaling approximately \$355 million and liabilities totaling approximately \$1.078 billion.¹ During 2003, Choice One recorded revenue of \$322.9 million. The Debtors currently employ 1,204 individuals, of which 1,180 are full-time employees and 24 are part-time employees.

6. Prior to the commencement of the Debtors' chapter 11 cases, the Debtors solicited votes to accept or reject their joint plan of reorganization, dated as of October 5, 2004 (the "Plan"), through the distribution, commencing on September 15, 2004, of a disclosure statement (the "Disclosure Statement"). The restructuring proposed in the Plan was the result of several months of negotiations with a steering committee (the "Steering Committee of Senior Lenders") of holders of the Debtors' senior debt claims (the "Senior Lenders") and an *ad hoc* committee (the "*Ad Hoc* Committee of Subordinated Noteholders") of holders of Choice One's subordinated note claims (the "Subordinated Noteholders").

7. The Plan effects a significant reduction in outstanding indebtedness primarily through the conversion of senior and subordinated debt to equity in the reorganized company. Specifically, the Plan provides for the following:²

- The Senior Lenders are converting the approximately \$410 million of their claims into an aggregate of (i) \$175 million of senior secured term notes (the "New Notes") and (ii) 18 million shares of the common stock of reorganized Choice One (the "New Common Stock"), representing 90% of the New Common Stock, subject to dilution by the New Warrants (as defined below) and any incentive plan provided to the Debtors' management.³

¹ The amounts in this paragraph are stated on a consolidated basis. The liabilities include the liquidating preference of the 251,588 issued and outstanding shares of preferred stock (\$0.01 par value) in accordance with Generally Accepted Accounting Principles.

² This summary is qualified in its entirety by reference to the full text of the Plan.

³ Certain Senior Lenders will have the option to receive all New Notes as a result of certain inter-creditor priorities among the Senior Lenders.

- The Subordinated Noteholders will convert the approximately \$250 million of their claims into, in the aggregate, (i) 2 million shares of New Common Stock, representing 10% of the New Common Stock, subject to dilution and (ii) new warrants (the “New Warrants”), which consist of (a) Series A Warrants, which are convertible into 657,567 shares of New Common Stock and which are exercisable at a price per share of \$13.50 and (b) Series B Warrants, which are convertible into 2,401,592 shares of New Common Stock and which are exercisable at a price per share of \$20.00.

8. The Plan provides for the payment in full of allowed administrative expense claims, federal state and local tax claims and other priority claims, and leaves general unsecured claims unimpaired. Cash on hand on the effective date of the Plan, together with the proceeds of a \$30 million exit facility obtained by the reorganized debtors on the effective date of the Plan, will be used to fund the reorganized business. Choice One’s existing preferred and common stockholders will not receive any recovery. All existing preferred stock, existing common stock, existing options to purchase common stock and existing warrants will be cancelled, and Choice One will emerge from chapter 11 as a “private” company.

9. The Plan and Disclosure Statement were filed on the Petition Date. As set forth in the certification filed concurrently with the Debtors’ chapter 11 petitions, the Plan was overwhelmingly accepted by the classes entitled to vote, with affirmative votes of 100%, far in excess of the statutory percentages specified in section 1126(c) of the Bankruptcy Code. Specifically, twenty-eight (28) of the holders in Class 2 (Senior Debt Claims), representing \$404,058,061.00 and 100% in claim amount of those voting, voted to accept the Plan, and seven (7) of the holders in Class 3 (Old Subordinated Notes Claims), representing \$245,427,499.82 and 100% in claim amount of those voting, voted to accept the Plan. Thus, the Plan was overwhelmingly accepted by those entitled to vote.

10. The restructuring contemplated by these prepackaged chapter 11 cases has resulted in a significantly deleveraged business with minimal disruption to the Debtors’ business

and operations. The Court entered the Order, dated November 9, 2004, among other things, approving the Disclosure Statement and confirming the Plan.

11. On October 7, and October 25, 2004, the Court entered the interim and final orders, respectively, approving the retention and employment of Nixon Peabody as special corporate, litigation and regulatory counsel to the Debtors. A copy of the Order dated October 25, 2004 is attached as Exhibit A.

12. This Application is submitted in accordance with all applicable Local Bankruptcy Rules, Federal Rules of Bankruptcy Procedure and sections 327, 328, 329 and 330 of the Bankruptcy Code, the United States Trustees' Guidelines for Reviewing Applications for Compensation & Reimbursement of Expenses filed Under 11 U.S.C. § 330 (the "UST Guidelines") and the amended guidelines for Fees and Disbursements for Professionals in the Southern District of New York Bankruptcy Cases, dated April 19, 1995 (the "SDNY Guidelines").

13. The Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue in these cases and this Application is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicate for the relief sought herein is section 330 of the Bankruptcy Code. This is a core proceeding under 28 U.S.C. § 157(b)(2)(A).

14. Nixon Peabody submits that the legal services it rendered on behalf of the Debtors throughout the Application Period as summarized below, were extensive, valuable and integral to the effective representation of the Debtors. Section 330 of the Bankruptcy Code authorizes payment to professionals of reasonable compensation for actual, necessary services rendered by such professional based upon, *inter alia*, the time spent on such services, rates charged, whether the services were necessary or beneficial to the administration of the case,

whether the services were performed within a reasonable amount of time commensurate with the complexity of the matter, and whether the compensation is reasonable based upon the customary compensation charged by comparably skilled practitioners. *See* 11 U.S.C. § 330.

15. A summary statement containing the names, credentials, billing rates, the total number of hours spent, and the total fees for each attorney or paraprofessional who provided services in this matter is attached as Exhibit B. The time totals in Exhibit B are derived from computer generated printouts of each of Nixon Peabody's individual attorney's time sheets that accurately set forth the services performed by Nixon Peabody on behalf of the Debtors and identify the dates upon which such services were rendered, describe the service for which the compensation is sought, and set forth the time expended on such services and the expenses sought to be reimbursed. The computer printouts are a compilation of the contemporaneous entries made on daily time sheets by the individual attorneys working for Nixon Peabody as special counsel to the Debtors in these cases.

16. The work summarized here was performed in such a manner as to eliminate duplication of services and to keep the administrative expenses chargeable to the Debtors' estates to a minimum. All efforts have been made, within the context of maintaining continuity in the handling of the cases, to have tasks performed by the person with the lowest billing rate that is competent to perform the task.

17. Itemized time records, in chronological order, of each specific service for which compensation is sought is attached hereto as Exhibit C. These itemized records include: the date on which the service was rendered; the professional performing the services; a description of the services rendered; and the time spent performing the service in tenth of an hour increments.

18. A summary of expenses for which reimbursement is sought is attached hereto as Exhibit D.

19. The Certification of Dennis J. Drebsky as required by applicable guidelines is attached hereto as Exhibit E.

Compensation Requested

20. Nixon Peabody requests fees of \$17,596.00 for professional services rendered and reimbursement of \$127.39 for actual and necessary expenses incurred on behalf of the estate in representing the Debtors during the Application Period. The compensation sought by Nixon Peabody reflects an average hourly rate of approximately \$415.98.

21. The following is a summary of services provided during the Application Period:

Category	Description	Hours	Fees
A	Acquisitions/General	8.30	\$2,324.00
B	Securities Matters	5.80	\$1,624.00
C	Litigation Matters	8.30	\$3,704.50
D	Case Administration	5.10	\$2,657.50
E	Court Hearings	6.80	\$4,080.00
F	Cash Collateral/Financings	8.00	\$3,206.00
TOTAL		42.30	\$17,596.00

Summary of Services

22. During the Application Period, Nixon Peabody attorneys and paralegals expended a total of 42.30 hours in this matter for total requested compensation of \$17,596.00. The following is a brief narrative description of the services provided by Nixon Peabody during the Application Period.⁴

⁴ While certain task descriptions may apply to work performed in more than one category, no time entry is duplicated in more than one category.

A. Acquisitions/General

23. During the Application Period, as described more fully in the time details attached hereto as part of Exhibit C, Nixon Peabody attorneys working on this matter expended time in respect of certain transactions and corporate and certain securities issues associated therewith.

B. Securities Matters

24. During the Application Period, as described more fully in the time details attached hereto as part of Exhibit C, Nixon Peabody attorneys working on this matter provided services related to SEC issues and filings.

C. Litigation Matters

25. During the Application Period, as described more fully in the time details attached hereto as part of Exhibit C, Nixon Peabody attorneys working on this matter provided certain services related to several litigation matters, including responding to a complaint.

D. Case Administration

26. During the Application Period, as described more fully in the time details attached hereto as part of Exhibit C, Nixon Peabody attorneys working on this matter undertook those tasks necessary for the to manage a chapter 11 reorganization, including without limitation general corporate, ERISA, and other corporate issues and the relevant bankruptcy papers associated therewith. Such efforts, assistance, cooperation, and participation were intended to facilitate efficient operation of the bankruptcy cases and foster the Debtors' reorganization efforts.

E. Court Hearings

27. During the Application Period, as described more fully in the time details attached hereto as part of Exhibit C, Nixon Peabody attorneys prepared for and attended the first day hearings, with attention to the approval of postpetition and exit financing.

F. Cash Collateral/Financings

28. During the Application Period, as described more fully in the time details attached hereto as part of Exhibit C, Nixon Peabody attorneys expended time in connection with the Debtors' postpetition and exit financing and preparing a legal opinion letter associated therewith.

Disbursements

29. During the Application Period, Nixon Peabody has incurred expenses totaling \$127.39. A summary of the expenses incurred for which reimbursement is herein sought is attached as Exhibit D. Reimbursement for expenses and all other disbursements in these cases is sought in accordance with the SDNY Guidelines and the UST Guidelines.

Summary

30. Nixon Peabody submits that the compensation for the services rendered and reimbursement of expenses incurred in this matter are reasonable based on (i) the time and labor required, (ii) the complexity of the legal questions presented, (iii) the skill required to perform the legal services, (iv) the customary compensation in this District, (v) the experience and ability of the attorneys providing services and (vi) the results achieved. Nixon Peabody carefully staffed these cases in order to assure the most efficient and cost effective provision of services to the Debtors and their estates.

WHEREFORE, Nixon Peabody respectfully moves this Court for an Order in the form attached hereto as Exhibit F:

- (i) Allowing compensation to the Nixon Peabody in the amount of \$17,596.00 on account of professional services rendered during the Application Period;
- (ii) Allowing the amount of \$127.39 as reimbursement for expenses incurred during the Application Period;
- (iii) Authorizing and directing the Debtors to make payment of the foregoing plus any allowed but unpaid fees and expenses from any previous application before this Court, less any sums previously paid pursuant to any retainers in these cases; and
- (iv) Providing such other and further relief as is just and appropriate.

Dated: New York, New York
December 23, 2004

NIXON PEABODY LLP

By: /s/ Dennis J. Drebsky
Dennis J. Drebsky (DD 4579)
Richard J. Bernard (RB 6371)
437 Madison Avenue
New York, New York 10022-7001
(212) 940-3000
*Special Counsel to the Debtors and
Debtors in Possession*

EXHIBIT A

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

<hr/>		X
In re	:	
	:	Chapter 11 Case Nos.
CHOICE ONE	:	
COMMUNICATIONS INC., <u>et al.</u>,	:	04- 16433(RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
<hr/>		X

**ORDER PURSUANT TO SECTION 327(a) OF THE BANKRUPTCY
CODE AUTHORIZING THE EMPLOYMENT AND RETENTION
OF NIXON PEABODY LLP AS CONFLICTS COUNSEL AND AS
SPECIAL COUNSEL FOR DEBTORS IN POSSESSION**

Upon the application, dated October 5, 2004 (the "Application"), of Choice One Communications Inc. ("Choice One") and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"), for an order pursuant to section 327(e) and 328(a) of title 11, United States Code (the "Bankruptcy Code"), and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") authorizing and approving the employment and retention of Nixon Peabody LLP ("Nixon Peabody") as special corporate and conflicts counsel to the Debtors, all as more fully set forth in the Application; and upon consideration of the affidavit of Dennis Drebsky, Esq., sworn to on October 4, 2004 (the "Drebsky Affidavit") and attached to the Application as Exhibit A, including the supporting documents attached thereto; and the Court being satisfied, based on the representation made in the Application and the Drebsky Affidavit, that Nixon Peabody is "disinterested," as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and that Nixon Peabody does not represent or hold an interest adverse to the Debtors or their estates with respect to matters upon which it is to be retained; and upon consideration of the supporting Affidavit of Ajay Sabherwal Pursuant to Local Bankruptcy Rule 1007-2, sworn to on the

5th day of October, 2004; and the Court having jurisdiction to consider the Application and the relief requested therein pursuant to 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 19, 1984 (Ward, Acting C.J.); and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided, and it appearing that no other or further notice need be provided; and the relief requested in the Application being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Application and having heard the statements in support of the relief requested therein at hearings held on October 6, 2004 and October 25, 2004 before the Court (the “Hearings”); and the Court having determined that the legal and factual bases set forth in the Application, in the Drebsky Affidavit, and at the Hearings establish just cause for the relief granted herein; and the Court having entered the “Interim Order Pursuant to Section 327(a) of the Bankruptcy Code Authorizing Employment and Retention of Nixon Peabody LLP as Conflicts Counsel and as Special Counsel for Debtors in Possession” on October 7, 2004, granting the relief requested by the Application on an interim basis; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is

ORDERED, that the Application is granted, *nunc pro tunc* to the commencement of these cases; and it is further

ORDERED, that, pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code, the Debtors are authorized to employ and retain Nixon Peabody as conflicts counsel and as special counsel to the Debtors for the matters identified in the Application effective

as to the commencement of this case in accordance with Nixon Peabody's normal hourly rates in effect from time to time and its normal disbursement policies; and it is further

ORDERED, that Nixon Peabody shall be compensated in accordance with the substantive standards set forth in Sections 328(a), 330 and 331 of the Bankruptcy Code and shall file applications in compliance with the Bankruptcy Code, applicable Bankruptcy Rules, local rules of this Court, and such other procedures as may be fixed by order of this Court; and it is further

ORDERED that the requirement under Rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York for the filing of a memorandum of law is waived.

Dated: New York, New York
October 25, 2004

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

EXHIBIT B
Summary of Fees by Professional

Attorney	Hours	Fees	Hourly Rate
Dennis J. Drebsky, Partner Bankruptcy, Business Litigation Admitted 1971	12.10	\$7,260.00	\$600.00
Mats G. Carlston, Partner Domestic & International Bank Credits, Business, Financial Services, Israeli Business, Mergers & Acquisitions, Securitization & Structured Finance Admitted 1987	1.60	\$920.00	\$575.00
Robert L. Kirby, Jr., Partner Business Litigation, Financial Services & Securities Litigation Admitted 1987	7.40	\$3,478.00	\$470.00
Brian Kopp, Partner Employee Benefits & Executive Compensation, HIPAA Task Force, ERISA Litigation, Labor & Employment Admitted 1991	.50	\$167.50	\$335.00
Roger W. Byrd, Partner Business, Securities Admitted 1991	8.30 5.80 1.90	\$2,324.00 \$1,624.00 \$570.00	\$280.00 \$280.00 \$300.00
Alice L. Shih, Associate Domestic & International Bank Credits, Securitization & Structured Finance Admitted 1999 (NY); 1998 (NJ)	3.80	\$1,026.00	\$270.00
Stacie B. Collier, Associate Labor & Employment Admitted 1997 (CT); 1999 (RI); 1999 (MA)	.80	\$204.00	\$255.00
Stephen M. LaRose, Associate Business Litigation, Government Relations Admitted 2002	.10	\$22.50	\$225.00
Total	42.30	\$17,596.00	

EXHIBIT C

Nixon Peabody LLP

Attorneys at Law
CLINTON SQUARE
P.O. BOX 31051
ROCHESTER, NY 14603-1051
(585) 263-1000
Fax: (585) 263-1600

December 17, 2004

Elizabeth McDonald, Esq.
Choice One Communications Inc.
100 Chestnut Street, Suite 700
Rochester, NY 14604-2417

Invoice No. 8616897
Account: 201012
Terms: Due Upon Receipt

FOR PROFESSIONAL SERVICES RENDERED from October 5, 2004 through November 9, 2004, including:

SUMMARY OF FEES, CHARGES AND DISBURSEMENTS

Details are shown on the pages following this summary.

Matter	Time	Fees	Chg. & Disb.	Total
General	0.00	0.00	65.00	65.00
Acquisitions/General	8.30	2,324.00	0.00	2,324.00
Securities Matters	5.80	1,624.00	0.00	1,624.00
Litigation	8.30	3,704.50	26.40	3,730.90
Project Jasper	19.90	9,943.50	35.99	9,979.49
Total of all matters on this invoice:	42.30	\$ 17,596.00	\$ 127.39	\$ 17,723.39

Nixon Peabody LLP

Attorneys at Law
CLINTON SQUARE
P.O. BOX 31051
ROCHESTER, NY 14603-1051
(585) 263-1000
Fax: (585) 263-1600

December 17, 2004

Elizabeth McDonald, Esq.
Choice One Communications Inc.
100 Chestnut Street, Suite 700
Rochester, NY 14604-2417

Invoice No. 8616897
Account: 201012
Terms: Due Upon Receipt

FOR PROFESSIONAL SERVICES RENDERED from October 5, 2004 through November 9, 2004, including:

MATTER NO. 000001 GENERAL

For Charges and Disbursements:

<u>Description</u>	<u>Amount</u>
Certified copy of Certificate of Incorporation for Choice One Online	65.00
TOTAL CHARGES AND DISBURSEMENTS:	\$ 65.00
TOTAL FOR MATTER -- GENERAL:	\$65.00

MATTER NO. 000009 ACQUISITIONS/GENERAL

For Professional Fees:

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Fees</u>	<u>Description of Services</u>
10/18/04	R. Byrd	0.20	56.00	Telephone conference with E. McDonald regarding contract amendment.
10/20/04	R. Byrd	1.70	476.00	Retrieve and review contract amendment and related materials.
10/21/04	R. Byrd	0.60	168.00	Telephone conference with J. Fink regarding contract amendment and facilities transfer. Telephone conferences with E. McDonald regarding same and place call to R. Bailey.
10/25/04	R. Byrd	1.30	364.00	Telephone conference with opposing counsel regarding amendment to contract and facilities transfer. Review materials regarding same. Telephone conference with R. Bailey to work through same.
11/02/04	R. Byrd	1.30	364.00	Review acquisition closing documents regarding affected facilities. Send same to E. McDonald.
11/02/04	R. Byrd	0.20	56.00	Revise contract amendment. Draft Bill of Sale and Assignment and assumption agreement regarding affected facilities. Attempt telephone conference with J. Fink regarding same. Telephone conference with E. McDonald regarding status.
11/03/04	R. Byrd	0.80	224.00	Telephone conferences with J. Fink and R. Bailey regarding contract amendment and facilities transfer transaction. Exchange calls with E. McDonald regarding same.
11/04/04	R. Byrd	0.30	84.00	Telephone conference with E. McDonald regarding contract amendment and Form 10-Q.
11/05/04	R. Byrd	1.50	420.00	Revise and finalize contract amendment. Send same to R. Bailey and E. McDonald. Telephone conference with E. McDonald regarding same and review of Form 10-Q.
11/08/04	R. Byrd	0.30	84.00	Send draft of contract amendment to opposing counsel and counterparty.

11/09/04 R. Byrd 0.10 28.00 Send background materials regarding
affected facilities to opposing counsel.

TOTAL HOURS: 8.30 \$2,324.00

TOTAL FEES: \$2,324.00

TIMEKEEPER SUMMARY

<u>Timekeeper</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
<u>Partners</u>			
R. Byrd	280.00	8.30	2,324.00
Total All Timekeepers:		8.30	\$2,324.00

TOTAL FOR MATTER -- ACQUISITIONS/GENERAL: \$2,324.00

MATTER NO. 000015 SECURITIES MATTERS

For Professional Fees:

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Fees</u>	<u>Description of Services</u>
11/06/04	R. Byrd	1.50	420.00	Begin review of Form 10-Q.
11/07/04	R. Byrd	3.50	980.00	Complete review of Form 10-Q. Revise same to reflect comments. Send marked draft to K. Jakubowski.
11/08/04	R. Byrd	0.60	168.00	Telephone conference with K. Jakubowski regarding Form 10-Q questions.
11/08/04	R. Byrd	0.20	56.00	Telephone conference with E. McDonald regarding Form 10-Q.

TOTAL HOURS: 5.80 \$1,624.00

TOTAL FEES: \$1,624.00

TIMEKEEPER SUMMARY

<u>Timekeeper</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
<u>Partners</u>			
R. Byrd	280.00	<u>5.80</u>	<u>1,624.00</u>
Total All Timekeepers:		<u>5.80</u>	<u>\$1,624.00</u>

TOTAL FOR MATTER -- SECURITIES MATTERS: \$1,624.00

MATTER NO. 000050 LITIGATION

For Professional Fees:

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Fees</u>	<u>Description of Services</u>
10/05/04	R. Kirby	0.20	94.00	Attention to complaint. Telephone message to opposing counsel regarding answer date.
10/06/04	R. Kirby	0.20	94.00	Telephone conference with opposing counsel regarding plaintiff's claims and answer.
10/07/04	R. Kirby	0.10	47.00	Telephone conference with opposing counsel.
10/12/04	R. Kirby	1.20	564.00	Analyze complaint. Attention to answer strategy. Telephone message for E. McDonald.
10/12/04	S. Collier	0.30	76.50	Review and analyze merit assessment review findings. Prepare correspondence to E. McDonald regarding same.
10/13/04	R. Kirby	0.60	282.00	Attention to case strategy. Telephone conference with E. McDonald.
10/13/04	S. Collier	0.20	51.00	Telephone conference with opposing counsel regarding his representation of complainant and complainant's position.
10/14/04	R. Kirby	1.70	799.00	Draft answer to complaint. E-mail to E. McDonald.
10/15/04	R. Kirby	0.20	94.00	Attention to draft answer. Memorandum to client regarding status.
10/18/04	R. Kirby	0.60	282.00	Telephone conference with E. McDonald. Finalize and file answer to plaintiff's amended complaint.
10/19/04	R. Kirby	0.30	141.00	Review discovery issues.
10/21/04	R. Kirby	0.20	94.00	Review correspondence regarding discovery.
10/28/04	S. Collier	0.10	25.50	Telephone conference with E. McDonald regarding contact by opposing counsel.
10/29/04	S. Collier	0.10	25.50	Telephone conference with opposing counsel regarding correspondence.
11/01/04	R. Kirby	0.20	94.00	Telephone conference with E. McDonald regarding case status, discovery and strategy.
11/02/04	R. Kirby	0.20	94.00	Attention to discovery.

11/03/04	R. Kirby	1.10	517.00	Attention to correspondence. Attention to revised discovery schedule. Telephone conferences with plaintiffs' counsel and counsel for co-defendants. Attention to case strategy.
11/04/04	R. Kirby	0.60	282.00	Telephone conference with C. Metz. E-mail to client regarding status. Attention to discovery.
11/04/04	S. LaRose	0.10	22.50	Review correspondence regarding litigation strategy.
11/05/04	S. Collier	0.10	25.50	Prepare correspondence to E. McDonald regarding contact with complainant's counsel.

TOTAL HOURS:	8.30	\$3,704.50	
		TOTAL FEES:	\$3,704.50

TIMEKEEPER SUMMARY

<u>Timekeeper</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
<u>Partners</u>			
R. Kirby	470.00	7.40	3,478.00
<u>Associates</u>			
S. LaRose	225.00	0.10	22.50
S. Collier	255.00	0.80	204.00
Associates Totals		0.90	226.50

Total All Timekeepers:	8.30	\$3,704.50
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For Charges and Disbursements:

<u>Description</u>	<u>Amount</u>
Copier	19.40
Fax - domestic	7.00

TOTAL CHARGES AND DISBURSEMENTS:	\$ 26.40
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TOTAL FOR MATTER --LITIGATION:	\$3,730.90
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MATTER NO. 000053 PROJECT JASPER

**For Professional Fees:
B002: Case Administration**

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Fees</u>	<u>Description of Services</u>
10/05/04	R. Byrd	0.70	210.00	Telephone conference with E. McDonald and Weil Gotschal regarding director election rights. Review draft Form 8-K.
10/05/04	B. Kopp	0.50	167.50	Review ERISA questions relating to Choice One restructuring. Discuss issues with A. Shih.
10/25/04	R. Byrd	0.20	60.00	Review and respond to e-mail regarding new By-laws.
11/05/04	D. Drebsky	1.50	900.00	Review objection and response; review proposed confirmation order and revision.
11/08/04	D. Drebsky	2.20	1,320.00	Review proposed orders and related documents; prepare and appearance at Disclosure and confirmation hearing (combined).
		<u>5.10</u>	<u>2,657.50</u>	

B023: Court Hearings

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Fees</u>	<u>Description of Services</u>
10/06/04	D. Drebsky	3.80	2,280.00	Review revised DIP motion and agreement; first day orders and prepare for hearing on "First Day" orders before Judge Drain.
10/22/04	D. Drebsky	1.20	720.00	Review final orders in preparation for 11/25 hearings.
10/25/04	D. Drebsky	1.80	1,080.00	Prepare for and attendance at hearing regarding finalizing interim orders.
		<u>6.80</u>	<u>4,080.00</u>	

B027: Cash Collateral/Financings

<u>Date</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Fees</u>	<u>Description of Services</u>
10/05/04	M. Carlston	1.60	920.00	Attend to changes to legal opinion. Attend to deliverables and finalize same. Conference with A. Shih and R. Byrd.
10/05/04	A. Shih	3.80	1,026.00	Telephone conference with L. Chapman regarding ERISA affiliates. Telephone conference with E. McDonald regarding ERISA question. E-mails and telephone conference with B. Kopp regarding ERISA issues. Exchange e-mails with R. Gelfand regarding legal opinion. Conference with M. Carlston regarding legal opinions. Review DIP Credit Agreement, Security Agreement and Pledge Agreement. Review schedules. Finalize Nixon Peabody legal opinion. Review foreign qualifications. Exchange e-mails with J. Longobardo and D. Freeman regarding open issues. Prepare for closing. Draft letter and prepare delivery to R. Gelfand regarding Nixon Peabody opinion. Review filings from Sidley Austin. Organize closing documents and files. Send e-mails to M. Carlston, R. Byrd and E. McDonald.
10/19/04	R. Byrd	1.00	300.00	Telephone conference with J. Strickland regarding rollover notes. Review same and send to J. Strickland. Attempt telephone conference with E. McDonald.
10/22/04	D. Drebsky	1.00	600.00	Review final DIP motion. Revisions to interim.

11/09/04 D. Drebsky 0.60 360.00 Review exit financing opinion draft.

8.00 3,206.00

TOTAL HOURS: 19.90

TOTAL FEES: \$9,943.50

TIMEKEEPER SUMMARY

<u>Timekeeper</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
<u>Partners</u>			
D. Drebsky	600.00	12.10	7,260.00
M. Carlston	575.00	1.60	920.00
R. Byrd	300.00	1.90	570.00
B. Kopp	335.00	0.50	167.50
Partners Totals		16.10	8,917.50

Associates

A. Shih	270.00	3.80	1,026.00
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Total All Timekeepers: 19.90 \$9,943.50

For Charges and Disbursements:

<u>Description</u>	<u>Amount</u>
Copier	1.32
Express Delivery Service	12.32
Long Distance Calls	5.22
Meals	17.13

TOTAL CHARGES AND DISBURSEMENTS: \$ 35.99

TOTAL FOR MATTER -- PROJECT JASPER: \$9,979.49

Total Fees.....	\$	17,596.00
Total Charges and Disbursements	\$	<u>127.39</u>
Total Time and Costs	\$	<u>17,723.39</u>
TOTAL FOR STATEMENT:		<u>\$17,723.39</u>

EXHIBIT D

EXHIBIT D
Disbursement Detail

	Date		Description	Amount	Total
Copier	10/07/04	R. Kirby	4 copies	0.80	
	10/18/04	A. Shih	3 copies	0.60	
	10/18/04	R. Kirby	54 copies	10.80	
	10/19/04	R. Byrd	6 copies	0.72	
	10/20/04	R. Kirby	35 copies	7.00	
	10/21/04	R. Kirby	2 copies	0.40	
	10/21/04	R. Kirby	2 copies	0.40	
Total					\$20.72
Express Delivery Service	10/05/04	A. Shih	Delivery to Sidley Austin Brown & Wood	12.32	
Total					\$12.32
Fax	10/07/04	R. Kirby	2 pages	2.00	
	10/07/04	R. Kirby	2 pages	2.00	
	10/07/04	R. Kirby	3 pages	3.00	
Total					\$7.00
Meals	10/08/04	A. Shih	Working Dinner	17.13	
Total					\$17.13
Outside Service	10/22/04	T. Wolf	Obtain certified copy of Certificate of Incorporation for Choice One Online	65.00	
Total					\$65.00
Long Distance Calls	10/05/04	A. Shih	Call - Duration 1 minute	0.13	
	10/05/04	A. Shih	Call - Duration 1 minute	0.17	
	10/19/04	R. Byrd	Call - Duration 10 minutes	4.10	
	10/21/04	R. Byrd	Call - Duration 1 minute	0.41	
	10/21/04	R. Byrd	Call - Duration 1 minutes	0.41	
Total					\$5.22
GRAND TOTAL					<u>\$127.39</u>

EXHIBIT E

Dennis J. Drebsky (DD 4579)
Richard J. Bernard (RB 6371)
NIXON PEABODY LLP
437 Madison Avenue
New York, New York 10022-7001
(212) 940-3000

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

In re:	:	Chapter 11
	:	
CHOICE ONE COMMUNICATIONS INC., <u>et al.</u> ,	:	Case No. 04-16433 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	

**CERTIFICATION OF DENNIS J. DREBSKY IN SUPPORT
OF FINAL APPLICATION OF NIXON PEABODY LLP**

Dennis J. Drebsky, hereby certifies, pursuant to 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”):

1. I am a partner in Nixon Peabody, LLP (“Nixon Peabody”), and I have been designated by Nixon Peabody with responsibility for compliance with the Guidelines in these chapter 11 cases filed by Choice One Communications Inc. and its direct and indirect subsidiaries herein (collectively, the “Debtors”).

2. I submit this Certification in connection with the Final Application of Nixon Peabody (“Application”) for Compensation for Services Rendered and Reimbursement of Expenses incurred as special corporate, litigation and regulatory counsel to the Debtors in the above-referenced cases for the period from October 5, 2004 through November 9, 2004

(“Application Period”).

3. I have read the Application.

4. To the best of my knowledge, information and belief, formed after reasonable inquiry, the Application, and the fees and disbursements sought therein, fall within the Guidelines.

5. To the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought are billed at rates, and in accordance with practices, customarily used by Nixon Peabody and generally accepted by Nixon Peabody’s clients.

6. To the best of my knowledge, information and belief, with respect to the disbursements for which reimbursements is sought: (i) Nixon Peabody does not make a profit on such disbursements; (ii) Nixon Peabody does not include in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment or capital outlay; and (iii) Nixon Peabody requests reimbursements only for the amount billed to Nixon Peabody by the third-party vendor and paid by it to such vendor.

7. With respect to photocopying and facsimile transmission expenses, Nixon Peabody’s charges do not exceed the maximum rate set by the Guidelines (there is no charge for incoming or local facsimile transmissions). These charges are intended to cover Nixon Peabody’s direct operating costs for photocopying and facsimile facilities, which costs are not incorporated into the Nixon Peabody hourly billing rates. Only clients who actually use photocopying, facsimile, and other such office services are separately charged for the same. 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, facsimile, and document production facilities and services.

8. All services for which Nixon Peabody requests compensation in this Application were professional services performed for the Debtors through November 9, 2004 and not for any other person.

9. Prior to the hearing on the Application, copies of the Application were timely served upon the parties required to be served in these cases.

10. In accordance with 18 U.S.C. § 155, neither I nor any member or associate of my firm has entered into any agreement, express or implied, with any other party-in-interest for the purpose of fixing the amount of fees or other compensation to be allowed of or paid from the Debtors' estates.

Dated: New York, New York
December 23, 2004

/s/ Dennis J. Drebsky
Dennis J. Drebsky (DD 4579)

EXHIBIT F

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

In re:	:	Chapter 11
	:	
CHOICE ONE COMMUNICATIONS INC., <u>et al.</u> ,	:	Case No. 04-16433 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	

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

Upon consideration of the application, dated December 23 2004 (the “Application”), submitted by Nixon Peabody, LLP (“Nixon Peabody”), special counsel to Choice One Communications Inc. and its direct and indirect subsidiaries (collectively, the “Debtors”) seeking entry of an order pursuant to 11 U.S.C. §§ 327, 328, 329, 330 and 331, Fed. R. Bankr. P. 2016 and Local Bankruptcy Rule 2016-1, for compensation for services rendered and reimbursement of expenses incurred as special counsel to the Debtors in the above-referenced proceedings for the period from October 5, 2004 through November 9, 2004 (“Application Period”); and a hearing having been held before this Court to consider the Application on January 11, 2005; and the Court having reviewed the Application and the exhibits submitted in connection therewith; and the Court having found that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(A), and (c) relief is appropriate given the circumstances described in the Applications; and the Court having found that appropriate notice has been provided with respect to the Application pursuant to Fed. R. Bank. P. 2002(a)(7) and (c)(2), and no further notice is hereby required; and due consideration having been given to any response to the Application; and the Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein.

IT IS HEREBY ORDERED THAT the Application is GRANTED to the extent set forth in Schedule "A."

IT IS FURTHER ORDERED THAT the Debtor is hereby authorized and directed to make payment of the foregoing, less any sums previously paid pursuant to any retainers in this case.

Dated: New York, New York
December __, 2004

ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

SCHEDULE A
CURRENT FEE PERIOD 10/05/04 – 11/09/04 (FINAL REQUEST)

Case No.: 04-16433 (RDD)

Case Name: Choice One Communications Inc., et al.

Applicant	Date/Docket No. of Application	Fees Requested	Fees Awarded	Expenses Requested	Expenses Awarded
Nixon Peabody LLP	12/__/04 / DN __	\$17,596.00	\$17,596.00	\$127.39	\$127.39