

Hearing Date: July 8, 2003, at 9:45 a.m.

Objection Deadline: TBD

Gregory L. Rosston
1819 Edgewood Lane
Menlo Park, California 94025

Consultant to the Debtor

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

-----X
In re :
: Chapter 11 Case No.
:
GLOBAL CROSSING LTD., et al., :
: 02-40188 (REG)
:
Debtors. : (Jointly Administered)
:
-----X

**Summary Sheet Pursuant to United States Trustee Guidelines for Reviewing
Applications for Compensation and Reimbursement of Expenses Filed Under 11
U.S.C. § 330 and 331**

SECOND INTERIM APPLICATION

NAME OF APPLICANT: Gregory L. Rosston
TIME PERIOD: October 1, 2002 through March 31, 2003
ROLE IN THE CASE: Consultant to the Debtor
CURRENT APPLICATION: Total Fees Incurred \$160.00
Expenses Requested: \$0.00
PRIOR APPLICATION: Fees Previously Requested: \$3,080.00
Fees Previously Awarded: \$2,464.00
Expenses Previously Requested: 0
Expenses Previously Awarded: 0

SUMMARY OF HOURS BILLED

Total Hours	Bill Rate	Total Compensation
.40	400.00	\$160.00

*Gregory L. Rosston, Ph.D.
Second Interim Compensation*

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**Second Interim Application of Gregory L. Rosston, As Consultant To Debtor,
For Allowance And Payment Of Compensation For Professional Services Rendered
From October 1, 2002 Through March 31, 2003**

TO THE HONORABLE ROBERT E. GERBER
UNITED STATES BANKRUPTCY JUDGE:

Gregory L. Rosston ("Dr. Rosston"), international fiber optics market consultant to Global Crossing Ltd. ("Global Crossing" or the "Debtor"), working with The Brattle Group, Inc., ("The Brattle Group") in the above-captioned case, hereby applies for the interim allowance of compensation for professional services he performed during the period October 1, 2002 through March 31, 2003 ("Compensation Period"). In support of this Second Interim Fee Application, Dr. Rosston respectfully represents as follows.

**SUMMARY OF PROFESSIONAL COMPENSATION
AND REIMBURSEMENT OF EXPENSES REQUESTED**

1. This is Dr. Rosston's second interim application for approval of payment of professional fees pursuant to his role as international fiber optics market consultant to Debtor. This Second Interim Fee Application has been prepared in accordance with sections 330 and 331 of Title 11 of the U.S. Bankruptcy Code ("Bankruptcy Code"), Rule 2016 of the Federal Rules of Bankruptcy, 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"), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the "UST Guidelines"), and the Amended Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals (the "Administrative Order," and collectively with the Local Guidelines and UST Guidelines, the "Guidelines"). Pursuant to the Local Guidelines, a certification regarding compliance with the same is attached hereto as Exhibit "A."

2. Dr. Rosston seeks allowance of one hundred percent (100%) of the interim compensation for the .4 hours of professional services he rendered to the Debtor during the Compensation Period. Dr. Rosston's hourly billing rate for services performed is \$400.00. Dr. Rosston thus seeks allowance of interim compensation in the aggregate amount of \$160.00.

3. The fees Dr. Rosston charged in this matter are billed in accordance with his existing billing rate and procedures in effect during the Compensation Period. The

rate charged for the services he rendered in this matter is the same rate he charges for services rendered in comparable nonbankruptcy related matters. His fees are consistent with those prevailing for similar services of consultants of reasonably comparable skill and reputation for nonbankruptcy clients.

4. There is no agreement or understanding between Dr. Rosston and any other person for the sharing of compensation to be received for services rendered in these cases.

5. All of Dr. Rosston's services during the Compensation Period are in furtherance of the discrete task for which he was retained: Accounting Issues Investigation. No time was charged during the Compensation Period for services performed in connection with either Dr. Rosston's retention or billings.

6. Dr. Rosston maintains records of the time spent on this matter. A copy of these time records (the "Time Records") will be furnished to the Court and the United States Trustee for the Southern District of New York (the "U. S. Trustee"), and have previously been furnished to the Debtor, the U.S. Trustee, the attorneys for the statutory committee of unsecured creditors appointed in Debtor's chapter 11 cases, the Joint Provisional Liquidators and their attorneys, and the attorneys for the Debtor's prepetition lenders in connection with Dr. Rosston's monthly fee statements.

7. Dr. Rosston has not received any retainer amount to be applied against payment for services to be rendered and expenses incurred on behalf of the Debtor.

BACKGROUND OF THE CASE

8. On January 28, 2002, the Debtor and its affiliated entities, except GT U.K. Ltd. (“GTUK”) commenced a case under chapter 11 of Title 11 of the Bankruptcy Code. GTUK commenced its chapter 11 case on April 24, 2002. The Debtor and its affiliated entities continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Dr. Rosston respectfully relies on the description of the status of the case that may be provided by Debtor’s general bankruptcy counsel, Weil, Gotschal & Manges LLP.

9. In order to conduct an independent investigation into allegations concerning Debtor’s accounting practices, financial disclosures and related matters (“Accounting Issues”), Debtor’s Board of Directors formed a Special Committee, and thereafter retained Coudert Brothers LLP (“Coudert”) as special counsel to assist the Special Committee with specific legal expertise in corporate investigations to conduct the required independent legal investigation.

10. To perform its services, Coudert required the assistance of industry experts. By order dated October 22, 2002, *nunc pro tunc* to May 31, 2002, the Court approved the Debtor’s retention of Dr. Rosston as an expert on international fiber markets working with The Brattle Group.

SUMMARY OF PROFESSIONAL SERVICES

11. Given the discrete nature of Dr. Rosston’s engagement, all of his services during the Compensation Period fall within one activity category: Accounting Issues Investigation. During the Compensation Period, as requested by Coudert and working with The Brattle Group, Dr. Rosston worked with Brattle staff on analyses of certain of the business transactions that were being investigated. As Dr. Rosston’s Time Records

reflect, Dr. Rosston had a discussion with Bill Zarakas of The Brattle Group, Inc. regarding the work to be done on the event studies of the concurrent transactions.

12. Dr. Rosston respectfully submits that the compensation requested for services he performed for Debtor during the Compensation Period is fully justified and reasonable based on: (a) the uniqueness of the tasks Dr. Rosston performed during the Compensation Period; (b) Dr. Rosston's experience, reputation and ability; and (c) the customary fee charged by Dr. Rosston in non-bankruptcy situations for rendering similar services. Dr. Rosston also respectfully submits that the consultation he has provided on the Accounting Issues was necessary and in the best interest of the Debtor and the estate and has furthered the goals of all parties in interest.

THE REQUESTED COMPENSATION SHOULD BE ALLOWED

13. Section 331 of the Bankruptcy Code provides for interim compensation of professionals and incorporates the substantive standards of section 330 to govern the Court's award of such compensation. 11 U.S.C. § 331. Section 330 provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered . . . and reimbursement for actual, necessary expenses." *Id.* § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded, the court should consider the nature, the extent, and the value of such services, taking into account all relevant factors, including --

(A) the time spent on such services;

(B) the rates charged for such services;

(C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;

(D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and

(E) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

Id. § 330(a)(3).

14. Dr. Rosston respectfully submits that the services for which he seeks compensation in this Second Interim Fee Application were, at the time rendered, believed to be necessary for and beneficial to the Debtor's investigation of the Accounting Issues, and as such, were necessary to and in the best interests of the Debtors' estates. Dr. Rosston further submits that his services and time expenditures are reasonable in light of the nature of the Accounting Issues. Accordingly, approval of the compensation sought herein is warranted.

15. Pursuant to Local Bankruptcy Rule for the Southern District of New York 9013-1(b), because there are no novel issues of law presented herein, Dr. Rosston respectfully requests that the Court waive the requirement that he file a memorandum of law in support of this motion.

16. No previous motion for the relief sought herein has been made to this or any other court.

CONCLUSION

Dr. Rosston respectfully submits that the services summarized by this Second Interim Application and rendered by Dr. Rosston to the Debtor during the Compensation Period were highly professional and have been beneficial to the Special Committee's investigation of the Accounting Issues. For the reasons stated above, Dr. Rosston submits that the compensation requested and the reimbursement of expenses incurred is necessary, fair and reasonable.

WHEREFORE, Dr. Rosston respectfully requests that this Court enter an order:

- (a) granting interim allowance of the compensation for professional services he rendered as consultant to the Debtor during the period October 1, 2002 through and including March 31, 2003, in the amount of \$160.00;
- (b) directing payment to Dr. Rosston of such amounts representing the portion of Dr. Rosston's compensation requested in "(a)" that is unpaid or withheld by the Debtor; and
- (c) granting such other and further relief as this Court deems just and proper.

Dated: May 30, 2003

By:

/s/ Gregory L. Rosston

Gregory L. Rosston, Ph.D.

Hearing Date: July 8, 2003, at 9:45 a.m.
Objection Deadline: TBD

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Consultant to the Debtor

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CERTIFICATION

I, Gregory L. Rosston, hereby certify that:

(1) I have personal knowledge of the matters set forth below, except where stated as based on information and belief, and as to such matters, I believe them to be true.

(2) This certification is made in respect of my application, dated May 30, 2003 (the "Second Interim Fee Application"), for interim compensation and reimbursement of expenses for the period commencing October 1, 2002 through and including March 31, 2003 in accordance with the Guidelines.

(3) In respect of Section B.1 of the Local Guidelines, I certify that:

(a) I have read the Second Interim Fee Application;

- (b) to the best of my knowledge, information, and belief formed after reasonable inquiry, the fees sought fall within the Local Guidelines;
- (c) the fees sought are billed at the rate that I customarily employ and that is generally accepted by my clients; and

(4) In respect of section B.2 of the Local Guidelines and as required by the Administrative Order, I certify that I caused the monthly fee statements for the Compensation Period to be delivered to Debtor, as well as to the U.S. Trustee and the attorneys for the statutory committee of unsecured creditors appointed in Debtor's chapter 11 cases, the Joint Provisional Liquidators and their attorneys and the attorneys for the Debtor's prepetition lenders by the 20th of the month following the month for which the covered services were rendered.

(5) In respect of section B.3 of the Local Guidelines, I certify that the Debtor, the United States Trustee for the Southern District of New York, the attorneys for the statutory committee of unsecured creditors appointed in Debtor's chapter 11 cases, the Joint Provisional Liquidators and their attorneys, and the attorneys for the Debtor's prepetition lenders are being provided with a copy of the Second Interim Fee Application.

Dated: May 30, 2003

/s/ Gregory L. Rosston
Gregory L. Rosston, Ph.D.

Gregory L. Rosston
1819 Edgewood Lane, Menlo Park, CA 94025
650-566-9211 fax 707-922-0185 greg@rosston.com

Date	Description	Time
10/09/02	Conversation with Bill Zarakas regarding work to be done on event studies and case status.	0.40