

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

----- X  
In re: x Chapter 11  
x  
WORLDCOM, INC., et al., x Case No. 02-13533 (AJG)  
x (Jointly Administered)  
Debtors. x  
----- x Honorable Arthur J. Gonzalez

**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 FOR FINAL FEE  
APPLICATION OF HURON CONSULTING GROUP LLC**

Name of Applicant: Huron Consulting Group LLC

Date of Retention: November 18, 2003, nunc pro tunc August 25, 2003

Final (Current) Application Period: October 1, 2003 through April 19, 2004

Current Application: Fees Requested: \$3,625,010.50  
Expenses Requested: \$496,805.90

Prior Application: Fees Previously Requested: \$245,473.75  
Fees Previously Awarded: \$0.00  
(Application Pending)  
Expenses Previously Requested: \$49,094.75  
Expenses Previously Awarded: \$0.00  
(Application Pending)

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In re:	x	Chapter 11
	x	
WORLDCOM, INC., et al.,	x	Case No. 02-13533 (AJG)
	x	(Jointly Administered)
Debtors.	x	
-----	x	Honorable Arthur J. Gonzalez

**SECOND AND FINAL FEE APPLICATION OF HURON CONSULTING GROUP LLC  
SEEKING COMPENATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES  
AS FINANCIAL ADVISORS TO THE DEBTORS FOR THE PERIOD  
OCTOBER 1, 2003 THROUGH APRIL 19, 2004**

Huron Consulting Group LLC (“Huron” or the “Applicant”), as financial advisors to WorldCom, Inc. and certain of its direct and indirect subsidiaries, debtors and debtors-in-possession in the above-captioned case (collectively, the “Debtors”), submits this second and final fee application for fees and expenses (the “Fee Application”) for the period of October 1, 2003 through April 19, 2004 (the “Current Period”). Huron respectfully submits this Fee Application in accordance with this Court’s order dated August 13, 2002, establishing procedures for interim monthly compensation and the reimbursement of expenses for professionals (the “Administrative Order”), the Administrative Order Regarding Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases dated June 24, 1991 and April 25, 1995, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 (the “Guidelines”). In support of this Fee Application, Huron respectfully represents the following:

## Background

1. On July 21, 2002 and November 8, 2002, WorldCom, Inc. and substantially all of its direct and indirect domestic subsidiaries commenced cases under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). By Orders dated July 22, 2002 and November 12, 2002, the Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered.

2. On August 13, 2002, this Court entered an order pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals (the “Administrative Order”).

3. As required by the Guidelines and the Administrative Order, a certification regarding compliance with the Guidelines for Fees and Disbursements for Professionals is attached hereto as Exhibit A.

4. On November 18, 2003 this Court entered an order authorizing the retention and employment of Huron Consulting Group LLC, as financial advisors to the Debtors, nunc pro tunc to August 25, 2003 (the “Huron Retention Order”). A true and correct copy of the Huron Retention Order is attached hereto and incorporated herein for all purposes as Exhibit B.

5. By its Administrative Order, the Court established procedures for interim compensation and reimbursement of expenses for professionals employed in these cases. Specifically, the Court authorized the submission on negative notice of monthly interim fee statements by such professionals and a procedure by which, in the absence of any objection, the Debtors could pay 80% of the fees requested and 100% of the expense reimbursement requested, subject to subsequent Court approval.

**Summary of Compensation and Reimbursement of Expenses Requested**

6. This Fee Application seeks allowance for all fees and expenses incurred during the Current Period and that the Debtors be authorized and directed to pay to Huron the outstanding amount of such sums less any sums previously paid to Huron pursuant to the monthly fee statements, as summarized:

Period	Fees Requested	Expenses Requested	Total Fees and Expenses	Amounts Paid Pursuant to Monthly Fee Statements	Amount Requested To Be Authorized for Payment
October 1 - 31, 2003	330,590.00	54,672.64	385,262.64	319,144.64	66,118.00
November 1 - 30, 2003	274,447.50	41,647.15	316,094.65	261,205.15	54,889.50
December 1 - 31, 2003	404,825.00	45,847.50	450,672.50	369,707.50	80,965.00
January 1 - 31, 2004	586,306.50	78,187.52	664,494.02	547,232.72	117,261.30
February 1 - 29, 2004	559,889.00	80,740.13	640,629.13	528,651.33	111,977.80
March 1 - 31, 2004	891,255.00	107,328.96	998,583.96	820,332.96	178,251.00
April 1 - 19, 2004	577,697.50	88,382.00	666,079.50	550,540.00	115,539.50
<b>Total Fee Application</b>	<b>3,625,010.50</b>	<b>496,805.90</b>	<b>4,121,816.40</b>	<b>3,396,814.30</b>	<b>725,002.10</b>

7. Huron seeks \$3,625,010.50 as allowance of reasonable compensation for actual and necessary professional services performed during the Current Period and \$496,805.90 as reimbursement of actual and necessary expenses incurred during that same period. This Fee Application is made pursuant to the provisions of sections 327, 330, and 331 of the Bankruptcy Code, Fed. R. Bankr. P. 2016, the Huron Retention Order, and the Administrative Order.

8. The Applicant seeks compensation for actual and necessary professional service provided during the Current Period, during which time Huron expended a total of 15,349.9 hours of professional time in the performance of hourly services on behalf of the Debtors at a blended rate of \$236. A listing of the professionals that provided services during the Current Period is set forth in Exhibit C. Exhibit D and Exhibit E summarize the hours and fees expended by project category and by project category and professional, respectively. Project categories are described in paragraph 11. Actual and necessary expenses incurred during the Current Period totaled \$496,805.90 which are summarized by type and set forth in Exhibit F. Pursuant to the

Administrative Order, Huron has filed seven monthly fee statements during the Current Period, attached as Exhibits G through M. The monthly fee statements contain detailed time descriptions recorded by tenth of an hour and detailed expense descriptions. No objections have been filed to any of the monthly fee statements.

### **Services Rendered**

9. All services for which compensation is requested were performed for and on behalf of the Debtors and not on behalf of any other entity or party-in-interest.

10. Tasks have been assigned so that work has been performed by those professionals at Huron most familiar with the particular matter or task and by the lowest hourly rate professional appropriate for a particular matter.

11. During the Current Period, Huron professionals billed their time devoted to matters on behalf of the Debtors' estates to 4 distinct service categories. Below is a summary of the activities performed by Huron professionals during the Current Period, organized by matter code.

#### **MC-1 Meeting/Teleconference with Debtors Management or Counsel**

Huron incurred time during the Current Period in meetings and conference calls with the Debtors' management and other parties regarding project status. During these meetings and conference calls, Huron was called upon to provide and discuss various analyses of claims filed against the Estate as well as executory contract and unexpired lease rejections and assumptions.

#### **MC-2 Retention Matters and Fee Applications**

As the Debtors' financial advisors, Huron is required to adhere to the requirements of the Bankruptcy Code and the U.S. Trustee's guidelines with respect to the retention of professionals in bankruptcy cases. Additionally, Huron is required to submit requests for fee

allowances and expense reimbursement in the manner prescribed by the Administrative Order. These requirements include reviewing and preparing affidavits and retention applications/motions as well as preparing monthly interim fee statements/applications for payment of fees and reimbursement of expenses.

### **MC-3 Unsecured Claims, Executory Contracts and Unexpired Leases**

During the course of these bankruptcy proceedings, over 38,000 claims have been asserted against the Debtors. To date, the Debtors have objected to over 9,000 of these claims and are continuing the considerable task of reconciling, objecting to and resolving the remaining claims. In addition, during the course of these proceedings, the Debtors have assumed over 3,500 executory contracts and rejected in excess of 20,000 unexpired leases and executory contracts, including telecommunications circuits. This matter code represents all time incurred on behalf of the Debtors, by Huron, as it relates to the following areas of focus:

#### Claims Filed Against the Debtors:

- Advising Debtors with respect to reconciling, objecting to or otherwise resolving the claims filed against the them in the course of these bankruptcy proceedings;
- Developing and maintaining a claims database linking claims data with scheduled data, objection data, duplicate claim data, settlement data and other relevant data. Maintenance of this database includes routine updates, reconciliation to the BSI claims register and running ad hoc queries as required; and
- Assisting the Debtors in managing the claims resolutions process by tracking the status of claims resolutions in each claim category, identifying potential issues impacting the claims resolutions process, tracking estimated claim values for the largest claims within each category, and other day-to-day tasks at the Debtors' request during the period in question.
- Preparing reports and other claims analysis reflecting results of the claims reconciliation process as requested by the Debtors management.

#### Unexpired Leases and Executory Contracts Assumed or Rejected By the Debtors:

- Tracking the Debtors' work related to executory contract rejections, assumptions and cure amounts;
- Maintaining an executory contracts database consisting of data pertaining to existing contracts and those assumed and rejected since the start of these bankruptcy proceedings.

#### **MC-4 Preference and Other Avoidance Actions**

The work performed by Huron at the request of the Debtors with regard to preference analyses include:

- Assisting the Debtors to gather and analyze the data necessary to allow management to make the appropriate decisions with regard to whether to pursue preference actions.

While the above summary of the services rendered by Huron during the Current Period cannot entirely convey the full extent of the services provided to the Debtors, and indeed on behalf of all of the constituencies in these cases, such summary will give this Court a sense of the amount, breadth, and complexity of the work performed by Huron.

12. During the Current Period, Huron rendered and provided services in these areas; all of the time and effort of Huron has been devoted to the affairs of the Debtors. The financial advisory services rendered have been beneficial to the Debtors and their estates.

#### **Expenses**

13. The Applicant seeks reimbursement for expenses incurred in rendering services to the Debtors during the Current Period in the amount of \$496,805.90. Each expenditure was a necessary and reasonable cost incident to the performance of Huron's services for the Debtors, and Huron made efforts to minimize costs to the estate.

#### **Relief Requested**

14. By this request for interim approval, Huron seeks the Court's approval of compensation for professional services rendered and reimbursement of actual and necessary expenses incurred by Huron for the Current Period, as detailed in the Applicant's monthly fee statements pursuant to the procedures set forth in the Administrative Order. As previously stated, the full scope of services provided and the related expenses incurred are described in Huron's monthly fee statements, attached hereto as Exhibits G - M.

### **Representation**

15. During the Current Period, except for payments made in accordance with the Administrative Order, Huron has received no payment, nor has it received any promises for payment, from any source for services rendered or to be rendered in any capacity whatsoever in connection with these Chapter 11 cases.

16. WHEREFORE, Huron respectfully requests that the Court enter an order providing (a) that, for the period of October 1, 2003 through April 19, 2004, an allowance be made to the Applicant in the sum of (i) \$3,625,010.50 as compensation for reasonable and necessary professional services rendered to the Debtors, and (ii) \$496,805.90 as reimbursement of actual and necessary costs and expenses incurred, for a total of \$4,121,816.40; (b) that the Debtors be authorized and directed to pay to the Applicant the outstanding amount of such sums less any sums previously paid to the Applicant pursuant to its previously filed interim monthly fee statements, subject to the procedures set forth in the Administrative Order; and (c) that this Court grant such further relief as is equitable and just.

Allowing and approving the 80% interim payment to Huron Consulting Group LLC for compensation in the sum of \$2,900,008.40 for actual and necessary professional services rendered on behalf of Debtors during the period October 1, 2003 through April 19, 2004 and requesting payment of 20% remaining amount in the sum of \$725,002.10 (total fees of \$3,625,010.50). In addition, allowing and approving the requested 100% of necessary and reasonable out-of-pocket expenses to be reimbursed (\$496,805.90).

Respectfully submitted this fifteenth day of July 2004.

HURON CONSULTING GROUP LLC

/s/ Stephen R. Burns

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STEPHEN R. BURNS, MANAGING DIRECTOR  
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