

SIMPSON THACHER & BARTLETT LLP
Special Counsel for WorldCom, Inc.
and certain of its subsidiaries,
as Debtors and Debtors-in-Possession
425 Lexington Avenue
New York, New York 10017-3954
(212) 455-2000

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
: In re : Chapter 11
: :
: WORLDCOM, INC., et al., : Case No. 02-13533 (AJG)
: :
: : (Jointly Administered)
: Debtors. :
: :
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FOURTH AND FINAL APPLICATION OF SIMPSON THACHER & BARTLETT LLP,
SPECIAL COUNSEL TO THE DEBTORS, SEEKING ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES UNDER 11 U.S.C.
§§ 330 AND 331 FOR THE PERIOD JULY 22, 2002 TO APRIL 19, 2004

Name of Applicant: Simpson Thacher & Bartlett LLP
Authorized to Provide Professional Services to: WorldCom, Inc. and certain of its subsidiaries
Date of Retention Order: September 4, 2002 (amended March 25, 2003)
Role in Case: Special Counsel
Period for Which Compensation and Reimbursement is Sought: July 22, 2002 – April 19, 2004
Amount of Compensation Sought as Actual, Reasonable and Necessary: \$10,056,560.31¹

¹ Although STB's total requests for reimbursement in the prior periods was greater, STB, in consultation with the Debtors, reduced the fee and expense totals for the first and second interim fee periods, as reflected by the Court's August 11, 2003 and March 12, 2004 orders.

Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary: \$1,086,297.12²

This is a: ___ interim ___**X** final application.

Prior Applications: Feb. 3, 2003; June 13, 2003; Dec. 15, 2003

Fees Previously Requested in First Application: \$2,125,928.52

Fees Awarded by Court on August 11, 2003 \$1,913,335.67

Fees Previously Requested in Second Application: \$1,841,144.28

Fees Awarded by Court on March 12, 2004 \$1,652,677.62

Fees Previously Requested in Third Application: \$3,257,557.93

Total Fees Previously Paid (in connection with Monthly Fee Statements net of the holdback): \$8,062,899.82

Expenses Previously Requested in First Application: \$144,244.24

Expenses Awarded by Court on August 11, 2003 \$144,244.24

Expenses Previously Requested in Second Application: \$234,077.69

Expenses Awarded by Court on March 12, 2004 \$232,755.05

Expenses Previously Requested in Third Application: \$377,733.58

Total Expenses Previously Paid (in connection with Monthly Fee Statements): \$1,059,897.16

² See note 1.

**TIME SUMMARY TO INTERIM FEE APPLICATION OF
SIMPSON THACHER & BARTLETT LLP
FROM JULY 22, 2002 THROUGH APRIL 19, 2004**

<u>NAME</u>	<u>YEAR OF ADMISSION</u>	<u>RATE³</u>	<u>HOURS</u>	<u>AMOUNT</u>
PARTNERS				
BEATTIE, RICHARD I.	1968	735.00	51.90	37,404.50
BRENTANI, WILLIAM B.	1989	670.00	0.50	335.00
BROWN, ALVIN	1974	710.00	2.60	1,777.00
CHEPIGA, MICHAEL	1979	720.00	7.60	5,439.00
COTTER, JAMES M.	1967	775.00	11.00	8,097.00
CROSS, JAMES D.	1990	670.00	2.50	1,675.00
CURNIN, PAUL C.	1987	750.00	2,838.15	2,034,912.42
EDGAR, KENNETH C.	1973	720.00	5.30	3,516
FACKLER, STEPHEN W.	1984	700.00	9.70	5,954.00
GRANEY, MICHAEL P.	1968	650.00	4.00	2,600.00
HUCK, L. FRANCIS	1972	720.00	0.50	360.00
KAUFMAN, JOSEPH H.	1994	650.00	594.40	385,220.00
KELLER, ANDREW	1983	750.00	304.60	205,199.00
KENNEDY, KEVIN	1991	670.00	1.60	1,072.00
KENNEY, JOHN J.	1969	760.00	142.30	101,370.00
KESS, AVROHOM J. ⁴	1994	475.00	13.80	6,555.00
KRONENBERG, CHET	1993	700.00	15.80	10,682.00
NEWCOMBE, GEORGE M.	1975	760.00	219.95	161,703.18
PAGANO, VINCENT	1980	760.00	252.35	182,696.18
PANTALEO, PETER V.	1982	750.00	7.30	5,013.00
REITER, GLENN	1976	710.00	0.80	568.00
RIBNER, SETH ⁵	1982	590.00	0.80	472.00
RICE, GARY	1982	680.00	0.50	340.00
RUEGGER III, PHILIP T.	1974	775.00	357.38	263,696.00
SIGAL, MYER O.	1972	710.00	10.60	7,526.00
SPATT, ROBERT	1980	760.00	1.00	760.00
THOMPSON, MARK	1982	680.00	0.40	272.00
TOTAL PARTNERS			4,857.93	3,435,214.28

³ In accordance with standard market practice, STB's billing rates were increased during the Final Application Period, as reflected in STB's monthly fee statements and interim fee applications. Thus, each timekeeper may have had a number of different billing rates during the Final Application Period. The rates set forth in this table reflect the highest billing rate at which each timekeeper billed time on WorldCom matters. For this reason, multiplying the rate listed by the number of hours billed to WorldCom matters will not necessarily result in the total amount billed.

⁴ Mr. Kess was elevated to partner during the Final Application Period.

⁵ Mr. Ribner was elevated to partner during the Final Application Period.

<u>NAME</u>	<u>YEAR OF ADMISSION</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
<u>ASSOCIATES</u>				
ALINAUSKAS, KAREN	1999	325.00	6.70	2,177.50
ALMEIDA, HELENA	2001	410.00	1,641.89	574,837.98
BENDER, MICHAEL D.	2001	280.00	0.20	56.00
BENETT, KATHERINE P.	2000	390.00	8.00	3,120.00
BENTLEY, JESSICA N.	2002	215.00	2.80	602.00
BORDE, DAVID C.	2001	340.00	16.00	5,440.00
BRIODY, THOMAS P.	2000	415.00	285.50	115,742.50
BUSSEY, JASON M.	2003	210.00	89.50	18,795.00
CAHILL, COURTNEY	2001	340.00	25.50	8,670.00
CAPRONI, VALERIE	1979	500.00	1.60	782.00
CENTEIO, ELENA	1996	475.00	1.00	475.00
CHAMBERS, REGINALD	2001	295.00	7.30	2,153.50
CHANG, TONY	1997	424.38	0.80	339.50
CHENG, TAI-HENG	2003	225.00	114.00	25,820.00
CHIA, DOUGLAS K.	1997	415.00	0.20	83.00
COONEY, TARA L.	2000	390.00	7.00	2,730.00
DELGADO, DENISE	1994	420.00	351.80	142,873.78
DICHTER, HAROLD	1994	495.00	186.97	33,990.50
DIVINE, CHARLIE L.	2002	215.00	38.60	8,299.00
EATON, ALICE B.	1999	455.00	166.60	67,819.00
ELBAUM, DAVID	1995	520.00	2,132.48	1,065,027.15
ERICSON, JOHN C.	1997	500.00	548.60	250,882.00
EZER, TAMAR	2002	210.00	13.80	2,898.00
FITZPATRICK, VINCENT	2002	355.00	543.65	192,996.90
FORD, CHRISTINE	1997	440.00	11.80	5,147.00
FOSSEEN, KATHERINE	2002	295.00	0.80	236.00
FRIEDMAN, BRYCE L.	1997	500.00	130.50	61,464.00
FRIGON, CHRISTOPHER	2001	340.00	15.40	5,236.00
GRAFF, ELISHA D.	2000	390.00	7.20	2,808.00
GRANDON, JONATHAN	1999	375.00	38.50	14,437.50
GRIMM, RICHARD	1999	475.00	6.60	3,135.00
GROSS, JESSICA	1992	500.00	1.00	500.00
HARTMERE, MICHAEL C.	2001	410.00	1,795.85	617,295.28
HATCHER, GENA R.	2003	210.00	0.20	42.00
HEWITT, MARTIN A.	1999	415.00	0.50	207.50
HOWARD, KIRSTIE M.	2003	225.00	352.99	79,422.35
HU, JENNIFER E.	1999	215.00	38.70	8,320.50
HUANG, LILLIAN W	2000	390.00	74.00	28,860.00
HUGGINS, TERESA L.	2000	295.00	53.00	15,635.00
JEDLICKA, AMY	1989	470.00	1.50	705.00
KEENAGHAN, DANIEL J.	1973	375.00	40.60	15,090.00
KELLEHER, GABRIELLE	2003	210.00	3.00	630.00
KING, PATRICK	1995	520.00	1,566.25	755,891.48
KLEIN, MICHAEL A	1999	415.00	608.00	243,596.00
LAPTOOK, ALEXANDRA	2002	295.00	28.60	6,933.00
LAROCCA, DAVID H.	2000	435.00	890.77	372,403.57
LECAROS, MELVINA	2001	410.00	73.40	30,094.00
LINDEMANN, SARAH N.	2003	225.00	353.20	80,345.50

NAME	YEAR OF ADMISSION	RATE	HOURS	AMOUNT
MAJORS, HAYWARD	2001	410.00	348.40	140,849.00
MARINELLI, FRANCIS C.	1987	500.00	5.20	2,576.00
MAY, CHRISTOPHER R.	2002	215.00	111.80	24,037.00
MCGRAIL, JOHN P.	1995	395.00	0.30	118.50
MCLENDON, KATHRINE	1985	550.00	0.80	440.00
MIHALTU, IOANA A.	2001	340.00	13.00	4,420.00
MILLER, EDWARD B	2000	390.00	74.60	24,713.00
MOSS, LAURENCE M.	1999	475.00	0.80	365.00
MURPHY, LAURA D.	2002	355.00	720.28	208,000.00
PLUSQUELLEC, FRAN.	1997	415.00	4.80	1,992.00
RAPPLEYE, ANN G.	1991	535.00	446.60	224,738.00
REN, YONG	2001	340.00	25.40	7,616.00
RICHARDS, WENDOLYN	2002	355.00	1,011.14	321,262.63
RUBIN, BRANDI	1999	415.00	10.00	4,150.00
SANKOVITCH, NATASHA	1995	400.00	4.30	1,752.50
SANT, CHRISTOPHER A.	2002	295.00	1.50	442.50
SAWYER, LAURI	1997	440.00	1.40	616.00
SHEEHAN, WILLIAM B.	1996	425.00	5.60	2,570.00
SHETH, TUSHAR J.	2001	340.00	595.00	190,672.00
SHIM, MICHAEL S.	1999	375.00	0.50	187.50
SHIN, EILEEN JIA	2002	295.00	7.10	2,094.50
SPIEGEL, JESSICA L.	2001	340.00	0.40	136.00
STERN, JUSTIN	2001	280.00	34.00	9,520.00
STRAUSS, SIMONA G.	1996	475.00	186.97	84,808.80
SULLIVAN, CHRISTINE C	2001	295.00	51.70	15,251.50
SWEDENBURG, ERIC M.	1999	415.00	2.50	1,037.50
TREUSDELL, SANDRA	2002	355.00	198.90	59,634.00
VINNIK, MARIYA S.	2001	340.00	21.10	6,238.00
VONA, ELISSA	2002	295.00	0.60	177.00
WALDNER, ROBERT J	2000	435.00	53.10	21,955.50
WEISBERG, HEATH N.	1999	415.00	57.80	23,731.00
WILSON, O. ANDREW.	2000	390.00	229.10	89,349.00
	TOTAL ASSOCIATES		16,507.54	6,348,262.92

<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
<u>PARAPROFESSIONALS</u>			
ABELL, PARIS	100.00	16.20	1,620.00
ADAMS, TAIMARIE	75.00	168.30	12,622.50
ALBINSON, GRACE	120.00	12.50	1,500.00
ANDERSON, NANCY	160.00	733.56	105,926.00
AUER, STACY	130.00	68.90	8,957.00
AZOULAI, MOSHE	175.00	23.70	4,147.50
BLASCO, CELINA	120.00	31.00	3,720.00
BRADBURY, OLIVIA	120.00	2.50	300.00
BRONSON, MICHAEL	120.00	6.70	804.00
BROWNE, JAMES C.	130.00	2.50	320.00
BRYANT, ERIC	120.00	97.00	8,687.50
CAMBRIA, JUSTIN	120.00	5.60	672.00
CARNEY, LAUREN	120.00	5.50	660.00
CHAO, FRANK	90.00	136.99	12,327.80
CLINTON, CANDACE	155.00	2.00	310.00
COLBY, ANNE E.	140.00	34.00	4,565.00
CRISI, ANGELICA	115.00	20.50	2,442.50
CROSS, SCOTT	120.00	11.50	1,380.00
DALLMEYER, KATE	135.00	349.50	42,212.50
DAVIS, PATRICIA G.	150.00	2.00	300.00
DEANGELO, VIRGINIA M.	140.00	4.50	630.00
DEL TORO, MONICA	95.00	1.30	123.50
DIAZ, EDWIN	120.00	14.80	1,776.00
DILLON, CHRISTOPHER	130.00	1.50	195.00
DUPILL, EMILY	125.00	9.50	1,187.50
FERRY, BRIAN	115.00	7.50	872.50
FITZGERALD, JOHN	120.00	0.30	36.00
FRANK, PENNY	120.00	6.00	720.00
FRONDA, ELEANOR	120.00	1.00	120.00
GALLAGHER, REBECCA	140.00	2,158.07	280,582.24
GARDNER, KELLY	75.00	3.00	225.00
GEIGER, WILLIAM	125.00	24.00	3,000.00
GILLIN, BRIAN	120.00	4.50	540.00
GONZALEZ, MARCELO	140.00	141.60	17,837.00
GONZALEZ, MARIA T.	145.00	2.50	362.50
GOODACRE, DANIELLE	155.00	20.80	3,084.00
GOULET, TARA	125.00	26.50	3,215.00
GREVEN, ELISE	135.00	3.00	390.00
GUERRERO, J. MICHAEL	150.00	2.00	300.00
HADDEN, ELIZABETH	120.00	3.50	420.00
HANSON, LARS	145.00	17.50	2,537.50
HINE, CRAIG	120.00	0.50	60.00
HOLAND, JON	125.00	2.00	250.00
HOLLINS, MARY	95.00	45.50	4,322.50
HONG, ROSA	115.00	0.30	34.50
JOHNSON, GWENDOLYN N.	95.00	169.70	16,121.50
KELLY, ALISON	120.00	359.35	43,122.00
KIM, CAROLINA	130.00	2.00	260.00

NAME	RATE	HOURS	AMOUNT
PARAPROFESSIONALS			
KING, THOMAS	150.00	5.00	750.00
KORTRIGHT, MAGALLIE	155.00	8.10	1,185.50
KOVOOR, THOMAS	150.00	48.60	7,290.00
KRAMER, LESLIE	155.00	3.80	589.00
LALANNE, DELPHINE	120.00	2.00	240.00
LARREA-MANZANO, J.	165.00	1,708.20	246,328.50
LE ROY, ARIANE	75.00	3.50	262.50
LEAVITT, DAVID	150.00	0.50	75.00
LEWIS, MARTIN	120.00	2.80	336.00
LICERIO, MARISELA	153.00	7.90	1,208.70
LICHENSTEIN, NOAH	85.00	8.50	722.50
LOBDELL, TIMOTHY	165.00	125.40	19,177.00
LOCKWOOD, DEBORAH	140.00	9.40	1,316.00
LUPFER, JENNIFER	120.00	5.40	648.00
MANSKI, JESSICA	125.00	94.70	8,189.00
MCGUNAGLE, BRIAN	120.00	1.00	120.00
MCMENAMY, KATHLEEN	120.00	65.20	8,380.00
METRO, STEVEN	90.00	19.20	1,716.00
MICELI, PAUL	120.00	13.80	1,656.00
MOSES, MATTHEW	120.00	7.00	840.00
NEIMAN, LUIS	125.00	2.50	312.50
NELSON, IME	100.00	27.00	2,700.00
NEVITT, LAUREN	125.00	23.00	2,770.00
NEYE, EMILY	130.00	1.00	130.00
NORTON, LISA	125.00	9.00	1,125.00
O'NEIL, DANIEL	140.00	4.50	630.00
OSBORNE, CHANELL	155.00	2.00	310.00
PACCIONE, PAMELA	120.00	14.30	1,716.00
PADILLA, MEGAN	130.00	2.20	286.00
PARALEGAL, TEMP	125.00	209.50	26,077.50
PARK, NELLIE	120.00	17.00	2,040.00
PARKER, CYNTHIA	145.00	4.00	580.00
PEARLBERG, ERICA	155.00	1,655.29	240,579.39
PERRY, IAN	120.00	32.00	3,840.00
PETERSEN, CRYSTAL	125.00	537.00	67,250.72
POLLARD, CARLA	140.00	34.50	4,820.00
PORTER, BARBARA	155.00	6.20	963.00
PRALL, JULIE	120.00	1.80	216.00
RAHA, CYNTHIA	120.00	10.80	1,296.00
RAMLOCHAN, DILWATTIE	150.00	36.90	4,859.50
REDDY, BENJAMIN	95.00	0.50	47.50
REGAN, TIMOTHY	125.00	14.50	1,812.50
RICHARDSON, MICHAEL	120.00	3.00	360.00
ROBINSON, MICHAEL	130.00	8.40	1,092.00
ROMAN, JOSE	125.00	17.20	2,095.50
ROSENZWEIG, FELICIA	137.6	12.50	1,720.00
ROWBOTHAM, BRADFORD	90.00	6.00	540.00
RUSSELL, VIRGINIA	120.00	3.30	396.00
RYAN, MARYANNE	140.00	34.70	4,551.00

<u>NAME</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
PARAPROFESSIONALS			
SANDERSON, GRAEME	120.00	3.00	360.00
SANDMAN, ROBERT	90.00	2.60	227.50
SOLOMON, KIMBERLY	150.00	163.50	24,287.50
SONG, JANE	125.00	2.20	275.00
STALTARI, ANTHONY	90.00	18.30	1,647.00
SWIFT, MARY	145.00	14.50	2,092.50
TABAS, MATTHEW	120.00	2.00	240.00
THIESSEN, NANCY	150.00	31.50	4,725.00
TREGGS, BRIAN	165.00	48.50	7,490.50
TUDOR, INGER D.	143.00	5.00	715.00
TYRRELL, LILIA	120.00	10.50	1,260.00
VERMYLEN, SARAH	120.00	3.50	420.00
WALLERSTEIN, KATHARINE	145.00	1.70	246.50
WALTHER, ROBERT	115.00	3.00	345.00
WEEKES, SEAN	150.00	13.00	1,865.00
WELSHIMER, COURTNEY	120.00	18.00	2,160.00
WILKINSON, PATRICK	130.00	0.70	91.00
WILLKENS, MARY	140.00	32.10	4,484.00
WONG, DAVID	135.00	51.40	6,939.00
YOUNGER, SHIRA	95.00	3.80	361.00
	TOTAL PARAPROFESSIONALS	10,062.56	1,332,175.85
	TOTAL⁶	31,430.23	11,115,653.05

⁶ STB, in consultation with the Debtors, substantially reduced its fees following the first and second interim fee periods, and continued to do so throughout the third and fourth interim periods. The total amount set forth above reflects some but not all of these reductions and, therefore, is greater than the total compensation STB seeks to recover in this Final Fee Application.

Simpson Thacher & Bartlett LLP (“STB”), special counsel for WorldCom, Inc. and certain of its subsidiaries, as debtors and debtors-in-possession (“WorldCom,” or the “Debtors”), hereby submits its fourth and final fee application (the “Final Fee Application”) seeking allowance of compensation and reimbursement of expenses pursuant to 11 U.S.C. §§ 330 and 331 for the interim period of October 1, 2003 to April 19, 2004 (the “Fourth Interim Period”), and for the final period from July 22, 2002 through April 19, 2004 (the “Final Application Period”). STB submits this Final Fee Application for (a) allowance of reasonable compensation for professional services rendered by STB to WorldCom and (b) reimbursement of actual and necessary charges and disbursements incurred by STB in the rendition of required professional services on behalf of WorldCom.⁷ In support of this Final Fee Application, STB represents as follows:

Background

1. On July 21, 2002 (the “Petition Date”), each of the Debtors commenced a case (collectively, the “Cases”) under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334 and the “Standing Order of Referral of Cases to Bankruptcy Judges,” dated July

⁷ The Final Fee Application may include fees and expenses for the period from July 22, 2002 through September 30, 2003, which fees and expenses were unrecorded by STB’s billing system at the time the prior Applications for such periods were submitted to the Court. STB reserves the right to amend the amounts listed in this application in the event that a subsequent review reveals that additional professional services were rendered or expenses were incurred on behalf of the Debtors, which services or expenses were not processed by the firm’s computer system before this statement was prepared.

10, 1984, of District Court Judge Robert T. Ward. Venue of these Cases and this Final Fee Application is proper in this district pursuant to 28 U.S.C. §§1408 and 1409. The statutory predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

Retention of STB

3. On July 21, 2002, WorldCom applied to this Court to retain STB as their special counsel pursuant to section 327(e) of the Bankruptcy Code (the “Retention Application”) to render general corporate and litigation services, unrelated to the conduct of these Cases. The Declaration of Paul C. Curnin, a member of STB, was submitted on July 21, 2002, in support of the Retention Application. As described in the Retention Application, STB represents WorldCom and certain current and former members of the board of directors (solely in each member’s role as director, and not individually for any other purpose or on any matter adverse to WorldCom) in respect of (a) the SEC’s investigations of WorldCom’s affairs; (b) possible asset sales and other corporate merger and acquisitions transactions; and (c) securities and ERISA litigation matters and the investigation by the Department of Justice, as well as other corporate and litigation matters with respect to which STB may be requested to represent the Debtors from time to time.

4. On July 22, 2002, this Court entered an interim order authorizing WorldCom to retain STB as special counsel. At the request of the United States Trustee, STB submitted a supplemental affidavit dated August 18, 2002, disclosing in detail the transactions and proceedings in which it represented WorldCom, its affiliates and their former and then-current officers and directors. By Order dated September 4, 2002, this Court authorized WorldCom to retain STB as special counsel (as amended, the “Retention Order”). On November 11, 2002, STB submitted a second supplemental declaration updating prior disclosures made by

STB. On February 28, 2003, WorldCom applied to this Court to expand the retention of STB and to amend the Retention Order authorizing, nunc pro tunc, WorldCom to retain STB for the representation of certain former directors of WorldCom (the “Amended Retention Application”). In connection with the Amended Retention Application, STB submitted a third supplemental declaration updating prior disclosures made by STB. On March 25, 2003, this Court entered an order amending the Retention Order and granting WorldCom’s application. On May 21, 2003, STB submitted a fourth supplemental declaration updating prior disclosures made by STB with respect to WorldCom/MCI securities ownership by STB attorneys.

Fee Procedure

5. This Application has been prepared in accordance with 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, dated January 30, 1996 (the “Trustee Guidelines,” and together with the Local Guidelines, the “Guidelines”). A certification regarding compliance with the Guidelines is attached hereto at Exhibit A. In compliance with the Guidelines, this Application includes a summary schedule setting forth all STB professionals and paraprofessionals who have rendered services to WorldCom during the Final Application Period, the hourly billing rate charged by STB for such services, the aggregate number of hours expended by such individual, and the year of such individual’s admission to practice law.

6. By Order dated August 13, 2002, this Court entered the 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 “Interim Compensation

Order”), thereby permitting professionals to file and serve fee statements for each month for which compensation and reimbursement of expenses is sought. Unless an objection is received, the Interim Compensation Order authorizes WorldCom to pay eighty percent of fees and one hundred percent of reimbursable disbursements requested in a monthly fee statement.

7. STB has submitted three interim fee applications. On February 3, 2003, STB submitted its first interim fee application (the “First Application”) for the period from July 22, 2002 through November 30, 2002. On June 13, 2003, STB submitted its second interim fee application (the “Second Application”) for the period from December 1, 2002 through March 31, 2003. On December 15, 2003, STB submitted its third interim fee application (the “Third Application”) for the period from April 1, 2003 through September 30, 2003.

The Fourth Interim Period

8. During the Fourth Interim Period, STB submitted seven monthly fee statements that collectively cover the period from October 1, 2003 through April 19, 2004 (the “Fourth Interim Period”). With respect to monthly fee statements previously submitted by STB during the Fourth Interim Period, STB received payments totaling \$1,856,095.84, which represents a portion of fees and expenses payable through April 19, 2004 (less the 20% holdback of fees), for services performed and disbursements incurred during the Fourth Interim Period.⁸

9. With respect to the Fourth Interim Period, STB seeks allowance of one-hundred percent (100%) of the compensation for professional services rendered to WorldCom for the Fourth Interim Period in the aggregate amount of \$3,232,989.09, and for reimbursement

⁸ Due to an error within STB's computer billing system, fees for professional services rendered during November 2003 in connection with the ERISA litigation were not included in the November 2003 monthly fee statement. This application supplements the
footnote continued

of one-hundred percent (100%) of expenses incurred in connection with the rendition of such services in the aggregate amount of \$331,564.25.

10. Consistent with our prior discussions with the Debtors and the committee appointed by the Court to review the fees and expenses of the Debtors' professionals, STB has not requested compensation for a substantial amount of fees incurred during the Fourth Interim Period. We believe the remaining fees and expenses are fully recoverable.

The Final Application Period

11. Throughout the Final Application Period, STB maintained written records of the time expended by professionals and paraprofessionals in the rendition of professional services to the Debtors. Such time records are made substantially contemporaneously with the rendition of services by the person rendering such services. Attached as Exhibit B is a list of the different matter headings under which time has been recorded and the aggregate amount of hours and fees expended for each of those matters during the Final Application Period. Copies of the daily time records for the Final Application Period, broken down by matter and listing the name of each professional or paraprofessional, the services performed, the date on which the services were performed, and the amount of time spent in performing the services are set forth in Exhibit D and have been previously furnished to the United States Trustee, the attorneys for WorldCom, WorldCom's prepetition and postpetition lenders and the attorneys for the statutory committee of unsecured creditors.

12. With respect to the Final Application Period, STB seeks allowance of one-hundred percent (100%) of the final compensation for professional services rendered to the

November 2003 monthly statement with a request for fees in the amount of \$140,940.50. The daily billing records for these services are included in Exhibit D.

Debtors during the Final Application Period in the aggregate amount of \$10,056,560.31 and for reimbursement of one-hundred percent (100%) of expenses incurred in connection with the rendition of such services in the aggregate amount of \$1,086,297.12.

13. No agreement or understanding exists between STB and any other entity for the sharing of compensation received for services rendered in or in connection with these Cases.

Summary of Services Provided

14. STB's services in these cases have been necessary and beneficial to the Debtors and their estates, creditors and parties in interest. The following summary highlights the major areas to which STB devoted substantive time and attention during the Final Fee Application Period.

Litigation Matters

15. STB has spent significant time and expended considerable efforts in asserting and defending the interests of WorldCom and certain officers and directors named in lawsuits in this District and throughout the country. Set forth below is a description of the salient litigation matters for which STB provided services.

The SEC Action and the Pending Investigations

Throughout the Final Application Period, STB provided legal services to WorldCom in connection with the civil action filed by the Securities and Exchange Commission (the "SEC") against WorldCom in this District, and the investigation of WorldCom's affairs by the court-appointed Bankruptcy Examiner, and an internal investigation by a special committee of the Board of Directors, which was conducted by Wilmer Cutler & Pickering. STB's assistance included coordinating responses to the SEC's informal requests for information or materials; making oral arguments at court conferences before Judge Rakoff in this District; negotiating and providing advice relating to the Judgment of Permanent Injunction Against Defendant WorldCom, Inc.; negotiating with the SEC relating to the SEC's claim for a civil penalty; preparing briefs in connection with the settlement agreement; collecting and reviewing relevant contractual documents and internal Company documents; and attending and preparing for interviews of former officers and directors of WorldCom. During the Final Application Period,

STB devoted approximately 3,965 hours to these matters, representing approximately 16% of the fees being requested in this Final Fee Application.

The Federal and State Securities Actions

Throughout the Final Application Period, STB provided legal services to former officers and directors of WorldCom in connection with class and individual actions filed in various state and federal courts arising from allegations made by current and former WorldCom stockholders and bondholders. Such services included making oral arguments at court conferences before Judge Cote in this District; preparing briefs in support of motions to dismiss the class action pending before Judge Cote; preparing briefs in support of removal to federal court of actions originally commenced in state court; collecting, reviewing, and producing documents; and preparing submissions relating to consolidation and other procedural matters in actions pending before Judge Cote. During the Final Application Period, STB devoted approximately 12,603 hours to these matters, representing approximately 42% of the fees being requested in this Final Fee Application.

The Federal ERISA Actions

Throughout the Final Application Period, STB provided legal services to current and former officers, directors and employees of WorldCom in connection with federal class actions arising from the allegations made by current and former employees of WorldCom regarding fiduciary duties as set forth in ERISA §§ 404, 409 and 502(a). Such services included making oral arguments at court conferences before Judge Cote in this District; collecting and reviewing internal ERISA-related Company documents; preparing and producing internal ERISA-related documents; factual research; and preparing motions to dismiss the consolidated federal ERISA action pending in this District. During the Final Application Period, STB devoted approximately 8,700 hours to this matter, representing approximately 24% of the fees being requested in this Final Fee Application.

Proceedings Before the Judicial Panel on Multidistrict Litigation

Throughout the Final Application Period, STB provided legal services to current and former officers and directors of WorldCom in connection with proceedings before the Judicial Panel on Multidistrict Litigation (the “MDL Panel”). Such services included submitting requests for centralization of newly filed WorldCom-related actions and preparing briefs in opposition to objections to transfer. The MDL Panel has transferred over 120 actions to this District for coordinated or consolidated pretrial proceedings. During the Final Application Period, STB devoted approximately 1,390 hours to this matter, representing approximately 3% of the fees being requested in this Final Fee Application.

Corporate Matters

16. STB also provided substantial services in connection with various corporate matters. Set forth below is a description of the salient corporate matters for which STB provided services.

Advice to the WorldCom Board of Directors

Throughout the Final Application Period, STB also provided substantial legal services in connection with its role as adviser to the WorldCom Board of Directors, the WorldCom Audit Committee, WorldCom's General Counsel and certain other current WorldCom officers and employees. Such services included preparing the Company's Annual Report on Form 10-K for the year ended December 31, 2002; providing corporate, securities and other advice to officers and employees of the Company; preparing filings for submission to the Securities and Exchange Commission and other documents, including filings on Form 8-K and Schedule 13D; and reviewing monthly operating reports. During the Final Application Period, STB devoted approximately 2,785 hours to these matters, representing approximately 13% of the fees being requested in this Final Fee Application.

ERISA-Administration Matters

Near the conclusion of the Final Application Period, STB provided legal services in connection with the Company's ERISA Plan. Such services included advice relating to the Company's disability plan and advice and research regarding disclosure requirements. During the Final Application Period, STB devoted approximately 21.30 hours to these matters, representing less than one-half of one percent of the fees being requested in this Final Fee Application.

Sale of Wireless Business

At the beginning of the Final Application Period, STB provided legal services in connection with the sale of WorldCom's wireless business. Such services included negotiating and preparing acquisition agreements; preparing summaries of the transactions; and coordinating the closing of the transactions. During the Final Application Period, STB devoted approximately 185 hours to these matters, representing less than one-half of one percent of the fees being requested in this Final Fee Application.

Retention Matters

17. As further described below, STB also rendered services related to STB's retention in these Cases and the transition of certain corporate matters to other counsel in these Cases.

Debt Review/Retention Matters

At the beginning of the Final Application Period, STB provided legal services regarding the transfer of various credit and loan related matters to Weil Gotshal & Manges, WorldCom's bankruptcy counsel in these Cases. Throughout the Final Application Period, STB also spent time preparing supplemental disclosure materials, including various supplemental declarations, and responding to requests and inquiries made by the Fee Committee. During the Final Application Period, STB devoted approximately 1,375 hours to these matters, representing approximately 2.5% of the fees identified in this Final Fee Application.⁹

18. As highlighted above, STB provided necessary and valuable services to the Debtors in connection with various litigation, corporate and retention matters. All of these services have assisted in the efficient administration of WorldCom's Cases and compliance with the requirements of the Bankruptcy Code.

The Requested Compensation Should Be Allowed

19. 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. *See* 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." 11 U.S.C. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

⁹ In connection with the First and Second Interim Fee Applications, STB agreed to substantially reduce the fees requested relating to retention matters.

In determining the amount of reasonable compensation to be awarded, the court should consider the nature, 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 completing 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.

11 U.S.C. § 330(a)(3). The Congressional intent and policy expressed in Section 330 of the Bankruptcy Code is to provide for adequate compensation to continue to attract qualified and competent practitioners to bankruptcy cases.

20. In the instant case, STB respectfully submits that the services for which it seeks compensation in this Final Fee Application satisfy the standards set forth in Section 330 of the Bankruptcy Code.

21. The services rendered by STB during the Final Fee Application required an aggregate expenditure of approximately 31,113 recorded hours of time of professionals and paraprofessionals. Attached hereto as Exhibit D is a summary of STB's time records for the Fourth Interim Period, categorized by matter number, with the rate charged for services rendered by each professional and paraprofessional in such matter (as such information has been previously filed with this court in connection with the Monthly Fee Statements). Summaries of STB's time records for the prior interim periods were previously filed with this Court in connection with STB's interim fee applications.

22. By rendering services and advice to WorldCom related to various pending litigation matters and certain corporate matters, the services rendered by STB were in the best interests of WorldCom's estates.

23. STB further submits that the services rendered by STB during the Final Application Period Interim Period were performed diligently and efficiently.

24. The fees charged by STB are billed in accordance with billing rates and procedures in effect during the Final Application Period and further detail is set forth above at pages 4-9 and, for the Fourth Interim Period, at Exhibit D. The rates STB charges for the services rendered to WorldCom are the same rates charged in comparable matters and such fees are customarily charged by professionals rendering comparable services. During the Final Application Period, the hourly rates of STB attorneys and paraprofessionals increased as follows: partner rates increased to a range of \$600 to \$775; associate rates increased to a range of \$200 to \$575; paraprofessional rates increased to a range of \$75 to \$175.

25. Accordingly, STB submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors, their estates, and all parties in interest. In sum, approval of the compensation sought herein is warranted under the standards set forth in Section 330 of the Bankruptcy Code.

The Request for Disbursements Should Be Allowed

26. STB incurred actual and necessary out-of-pocket expenses during the Fourth Interim Period, in connection with the rendition of the professional services described above. Attached hereto as Exhibit C is a schedule setting forth categories of expenses being requested for reimbursement and the aggregate amount of expenses for each such category. By this Application, STB respectfully requests allowance of such reimbursement in full.

27. In accordance with the Guidelines, the disbursements for which STB seeks reimbursement include the following:

- a. Duplicating - Charged at \$0.15 per page;
- b. Telecommunications - Long distance calls are billed at actual cost. Outgoing facsimile transmittals are billed at \$1.00 per page, while there is no charge for incoming facsimiles;
- c. Computer Research Charges - STB's practice is to bill clients for LEXIS and Westlaw research at actual cost;
- d. Overtime Expenses - STB's practice is to allow any attorney working later than 7:00 p.m. and any legal assistants working later than 7:00 p.m. to charge a working meal to the appropriate client. The meal charge has been limited to \$20.00 for these proceedings;
- e. Local Car Service - STB's practice is to allow attorneys to charge car service to the appropriate client after 8:00 p.m. for travel within or outside Manhattan. Legal assistants are allowed to charge car service to the appropriate client after 9:00 p.m.;
- f. Delivery Services - STB's practice is to charge postal, overnight delivery and courier services at actual cost; and
- g. Word Processing Charges - STB has voluntarily excluded "Word Processing" charges from its request for reimbursement.

MEMORANDUM OF LAW

28. STB submits that the relevant legal authorities are set forth herein and that the requirement pursuant to Local Bankruptcy Rule 9013-1 that STB file a memorandum of law in support of this Application is satisfied.

NOTICE

29. Notice of this Application has been provided to the United States Trustee, WorldCom, the attorneys for WorldCom, the attorneys WorldCom's postpetition lenders, the attorneys for the statutory committee of unsecured creditors and attorneys for the examiner appointed in these cases. STB submits that no other or further notice need be provided.

CONCLUSION

WHEREFORE, STB respectfully requests (i) allowance of compensation for the professional services rendered during the Final Application Period in the amount of \$10,056,560.31 and reimbursement for actual and necessary expenses of STB incurred during the Final Application Period in the amount of \$1,086,297.12; (ii) the allowance of such compensation for professional services rendered and reimbursement of actual and necessary expenses incurred be without prejudice to STB's right to seek additional compensation for services performed and expenses incurred during the Final Application Period which were not processed at the time of this Application; and (iii) the Court grant STB such other and further relief as is just.

Dated: New York, New York
July 19, 2004

/s/ Paul Curnin
Paul C. Curnin
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