• Review and analyze SEC forms, materials and rules regarding reorganizations in order to ensure compliance.

• Draft and revise the Form T-3 ("T-3"), required by the SEC which contains information regarding the terms of an indenture

• Draft amendments to the T-3.

• Internally confer regarding various issues, such as the T-3 and amendments thereto, the distribution of securities, the Committee on Uniform Securities Identification Procedures number, the election form, the reincorporation of the Debtors, and the merger and dissolution of affiliates of the Debtors.

• Review the listing requirements of the NASDAQ.

• Draft the election form for the new securities.

• Draft the notice of extension of the date by which elections must be made.

• Confer with Innisfree M&A Incorporated ("Innisfree"), the Debtors’ solicitation and tabulation agent, regarding the election form.

• Review the closing checklist.

• Review, negotiate and comment upon the Transfer Agent Agreement.

• Participate in internal conferences of the Corporate and Tax departments

• Draft press release regarding the allocation of New Notes.

• Review the Plan regarding the cancellation of certain securities.

• Conduct research in connection with Italian securities issues and the implications of an election of New Notes for Italian holders of securities.

• Respond to numerous creditor questions regarding corporate and securities issues.

• Review and confer internally regarding the Corporate Monitors’ report entitled “Restoring Trust: Corporate Governance for the Future of MCI” (the “Breeden Report”) to ensure compliance with the recommendations set forth therein.
1. **Asset Dispositions (Work Code 300)**

Total hours: 2,036.4  
Total fees: $886,347.00

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Lori Fife, Adam Cohen, Sharon Youdelman, Stuart Hirsch, Michael Skarda, Lydia Protopappas, Jessica Fink, Cinthia Trajtenberg and Jared Friedman. Their time represents 79% of the time billed to this work code.

- Advise the Debtors regarding assets to be disposed of pursuant to the order authorizing the Debtors to sell certain property and interests in property free and clear of all liens, claims and encumbrances and establishing the procedures therefor and authorizing the Debtors to abandon or donate certain personal property and establishing procedures therefor.

- In connection with the disposition of Embratel, WG&M expended a tremendous amount of hours on the following tasks:

  - Confer with the Debtors’ Brazilian counsel in order to understand and analyze Brazilian law and various telecommunications regulatory agencies;
  
  - Confer with the Debtors, Lazard and Brazilian counsel regarding the due diligence process;
  
  - Negotiate the terms of the non-disclosure agreement entered into by potential purchasers and bidders;
  
  - Draft and revise the non-disclosure agreement in connection with the dataroom discovery process;
  
  - Coordinate and assemble production dataroom of diligence documents;
  
  - Review documents to be produced to bidders as part of the due diligence process in connection with the Embratel sale;
  
  - Draft and revise stock purchase agreement in connection with the sale of the controlling interest in Embratel;
  
  - Draft schedules to the stock purchase agreement;
  
  - Draft motion for an order pursuant to Sections 363 and 1146 of the Bankruptcy Code and Bankruptcy Rule 6004 approving the terms and conditions of a stock purchase agreement with Teléfonos de México, S.A. de C.V., and authorizing the sale of Embratel;
• Research and draft memorandum concerning the standing of a
disappointed bidder in connection with an asset sale pursuant to Section
363 of the Bankruptcy Code.

• Research evidentiary rules in preparation for the hearing to approve the
Embratel sale;

• Coordinate and supervise the translation of Portuguese documents,
including the business records of Embratel;

• Internally confer among WG&M’s Corporate, Litigation and BFR
departments to coordinate efforts and strategize;

• Interview potential witnesses for the hearing to approve the Embratel sale;

• Prepare witnesses to testify at the hearing, including prepare witness
outlines;

• Prepare hearing exhibits;

• Draft opening and closing statements;

• Develop hearing strategy;

• Attend to issues in relation to the sale of Multichannel Multipoint Distribution
Service ("MMDS"), the Debtors’ fixed wireless broadband business, such as:

  • Draft and revise the stipulation between the Archdiocese of Los Angeles
    Education, the Welfare Corporation and the Debtors;

  • Review the MMDS closing checklist.

• Draft motion for an order, pursuant to sections 105 and 363 of the Bankruptcy
Code, approving the sale of the Debtors’ Claim in the Lightyear Holding, Inc., et
al. bankruptcy cases.

• Prepare and draft the Debtors’ fourth report of de minimis asset sales and
abandonments of personal property for the quarter ending September 30, 2003.

• Prepare and draft the Debtors’ fifth report of de minimis asset sales and
abandonments of personal property for the quarter ending March 31, 2004.

• Prepare for and attend hearing to consider the asset purchase agreement for
certain tower assets.
m. Real Property Leases (Work Code 310)

Total hours: 413.9
Total fees: $153,679.00

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Stephen Youngman, Michelle Larson, Stephanie Simpson, Kristin Simpson and Christina Pullo. Their time represents 83% of the time billed to this work code.

• The Debtors had over 15,000 property leases with numerous entities prepetition. As such WG&M is required to assist the Debtors with the review and analysis of thousands of leases in order to determine whether the leases are beneficial to the estates and to make determinations as to the assumption or rejection of these leases. In conjunction therewith, WG&M assisted the Debtors with the negotiation and drafting of agreed amendments and terminations of real property leases.

• In an effort to preserve the value of the Debtors’ estates, draft and defend motions to reject leases and file notices of rejection for real property over 250 leases for property which is no longer needed in the Debtors’ ongoing business operations.

• Draft, file and defend motions to assume real property leases as amended, many of which contained substantial rent savings or were otherwise beneficial to the estates.

• Conduct numerous teleconferences with landlords, lienholders, their counsel and other interested parties regarding lease assumptions and rejections, lease auctions, lease designations, and other lease issues.

• Participate in numerous telephone conversations and correspondence with lenders’ counsel, the Debtors’ in-house attorneys and surveyors in connection with various properties.

• Prepare notices and schedules for abandonment of various licenses.

• Review surveys of various properties owned by the Debtors.

• In an effort to preserve the value of the Debtors’ estates, draft numerous notices of abandonment for certain real property.

• Review the purchase agreements relating to the assets of certain tower sites (the “Tower Assets”).

  • Draft several asset sales motions and orders relating to the sales of the Tower Assets and the exhibits thereto.
• Respond to inquiries by the Creditors’ Committee and any other potential bidders or objectors to the asset sales motions.

• Prepare for, attend and argue at the hearings to consider the asset sales motions.

n. Executory Contracts (Work Code 320)

Total hours: 739.0
Total fees: $285,661.00

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Alfredo Perez, Lydia Protopapas, James Grogan, Richard Graham, Renee Wells and Christina Pullo. Their time represents 84% of the time billed to this work code.

• To reduce the Debtors’ costs and maximize the value of the Debtors’ estates, review thousands of contracts, each of which require analysis of characterization, assumption and rejection options and post-petition obligations.

• Draft notices of settlement, motions for approval of settlements, settlement agreements, motions to approve contract amendments and modifications.

• Conduct research and provide counsel regarding cure of defaults and numerous issues regarding rejection of contracts and leases.

• Prepare motions, stipulations, agreed orders and Plan Supplements related to assumption, assumption and assignment, and rejection of executory contracts and unexpired leases.

• Draft memoranda analyzing the Debtors’ rights and obligations under certain executory contracts.

• Draft and file motions and notices and prepare for and successfully conduct hearings at which the Debtors were granted the authority to assume or reject more than 2,800 executory contracts.

• Research, resolve and draft numerous objections to motions to compel assumption or rejection of certain executory contracts.

• Draft the objection to the motion of Grande Communications Networks, Inc. for the allowance and payment of junior superpriority administrative claim in connection with prepetition executory contract that was amended postpetition.

• Research the application of Section 503(b)(1)(A) of the Bankruptcy Code to a postpetition agreement that is no longer beneficial to the estate.
• Negotiate and draft stipulations in connection with the rejection of certain executory contracts; negotiate settlements and settlement agreements in connection with the rejection of certain executory contracts and draft motions seeking approval of these settlements with various entities.

• Draft motions and stipulations regarding settlements of certain pre-petition contract disputes.

• Participate in regular conference calls with MCI’s Settlement Task Force and the Creditors’ Committee regarding terms of various pending settlements and conferences with the Debtors and contract counterparties regarding terms of settlements.

• Advise the Debtors and various contract counterparties regarding de minimis settlement procedures and draft notices of settlement in accordance with de minimis settlement procedures.

• Review correspondence regarding settlement agreements.

• Research issues related to settlements, including setoff, recoupment, assumption and assignment, and adequate assurance issues.

• Draft notices of setoff in accordance with de minimis setoff procedures.

• Draft and update lists of pending and approved settlements.

• Advise the Debtors regarding Plan provisions related to assumption and rejection of executory contracts.

• Coordinate obtaining signatures for settlement agreements and distributing orders approving final settlement agreements.

• Review claims database regarding claims related to executory contracts and certain settlement agreements.

• Researched and corresponded internally and with opposing counsel about various claims of former MCI director for deferred compensation and discovery related thereto.
0. **Automatic Stay/Adequate Protection (Work Code 330)**

Total hours: 794  
Total fees: $342,183.00

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Adam Strochak, Lydia Protopappas, Jason Billeck, Ronit Berkovich, Anthea Dinos and John Thompson. Their time represents 78% of the time billed to this work code.

- Review requests for modification of the automatic stay to allow certain actions to proceed, including state court litigation, actions for recoupment, and requests for permission to setoff certain obligations (the “Automatic Stay Motions”), including, but not limited to motions by: Arthur Andersen LLP, Teleserve Systems, Inc., Mark Lahit, Gary Campbell, MDIP Litigation Trust, Time Warner Telecom Holdings, Inc., Detroit Edison Company, Southern California Edison Co., Paul Browning, Alan M. Grayson and Lexington Insurance Co.

- To maintain the integrity of the Debtors’ automatic stay, analyze and advise the Debtors on the Automatic Stay Motions and resolve the Motions by either entering into stipulations with the movants allowing the litigation to proceed, objecting to the motion, or allowing the motion to proceed, as the factors of the specific cases mandated.

  - Settle / resolve approximately 9 motions to lift the automatic stay by agreement, consent order, withdrawal of motion, or stipulation.
  - Oppose approximately 8 motions to lift the automatic stay.
  - Settled one motion to setoff funds against the Debtors.
  - Advocate for the denial of 16 motions to lift the automatic stay.
  - Continuously oppose numerous pending Automatic Stay Motions.
  - Conduct extensive research and discovery in opposing the Automatic Stay Motions.
p. Claims Resolution & Administration (Work Code 400)

Total hours: 3,051.7
Total fees: $1,146,698.50

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Alfredo Perez, Adam Strochak, Jason Billeck, Peter Friedman, Richard Graham, James Grogan, Claire Watkins, Sharon Loftspring, Eric Lyttle, David Taylor, Christina Pullo and Christopher Lopez. Their time represents 85% of the time billed to this work code.

- In order to decrease the number and amounts of claims against the Debtors, participate in numerous meetings and conference calls with client to develop and implement procedures for analyzing over 38,000 claims filed, identify disputed claims, and prosecute objections thereto.

- Respond to thousands of phone calls and letters received from creditors and other parties in interest concerning the Debtors’ chapter 11 cases, the consequence of filing claims against the Debtors, the rights of creditors under the Bankruptcy Code, proofs of claim, allowance of claims, prosecution of claim objections and related issues.

- Draft and file the nineteenth omnibus claim objection, objecting to 75 proofs of claim totaling more than $25,825,662.39.

- File and prosecute objections to proofs of claims totaling over $10,280,016.73 by 15 individual creditors.

- Coordinate with other law firms prosecuting various objections to claims to ensure claimants with multiple claims are addressed comprehensively.

- Research and draft objections to entities filing motions to amend proof of claims and file late claims.
  - Prepare for, attend and argue at hearings regarding the above referenced motions and objections.

- Prepare stipulations regarding allowance of certain late claims.

- Negotiate and draft various stipulations regarding disputed proof of claims.

- Draft objections and negotiate resolution of numerous applications for administrative expense claims, including mediate settlement of an administrative expense claim filed by Xerox Capital Services.
• Research the local rules in the Southern District of New York on mediation in connection with the resolution of claims against Xerox Capital Services.

• Prepare stipulations regarding allowance of claims filed by the Indenture Trustee.

• Prepare for, attend, and advocate at the hearing to consider the Fourteenth Omnibus Objection to Proofs of Claims, including brief subordination issues.

• Respond to claimants' inquiries regarding treatment and distribution of claims under the confirmed Plan.

• Draft settlement agreements between MCI and various creditors including, but not limited to, Cablevision Lightpath, Inc. and Verizon Communications, Inc.

• Research in connection with the Debtors' claims against Advanced Telecommunication Network, Inc., ("ATN") and claims asserted by ATN against the Debtors.

• Conduct due diligence in connection with the Debtors' objection to claims based on the substantive consolidation of the Debtors' entities.

• Research and draft memoranda and position papers regarding dischargeability and priority of punitive damages, fines and restitution of private, state and federal (civil and criminal) claims, and court's jurisdiction over such claims.

• Research and draft memoranda on mandatory and equitable subordination of securities-related ERISA claims (and related contribution claims).

• Draft and revise a release agreement between the Debtors and certain parties, most notably the MCI Trade Claims Committee, the Creditors' Committee and Platinum Partners LP mutually releasing each party from any liability in connection with claims filed by the respective parties.

• A team of WG&M attorneys expended a significant amount of hours to the resolution of Wells Fargo's claims in connection with the Wells Fargo Litigation, including:
  • Answer in-depth discovery requests, including interrogatories;
  • Review and produce numerous documents;
  • Prepare witnesses for the hearing on March 22, 2004;
  • Review expert testimony;
  • Depose expert witness;
• Draft pre-trial brief;
• Prepare for, attend, and represent the Debtors at the hearing;
• Conduct full-day trial;
• Draft post-trial brief.

• In connection with the claims asserted by the Abbott Litigants against WorldCom, Inc. alleging that WorldCom aided and abbetted and controlled WorldAccess, Inc. in committing securities fraud, it was necessary for WG&M to:
  • Draft an objection to the Abbot Litigants’ proof of claim for damages totaling $622 million in connection with prepetition litigation in California state court;
  • Draft and file a dispositive motion ordered by the Court in response to the Abbott Litigants’ motion for the Bankruptcy Court to abstain from hearing their claim and to allow them to proceed in the state action pending in California.

q. **Adversary Proceedings (Work Code 420)**

<table>
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<tbody>
<tr>
<td>Total fees:</td>
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The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Joseph Allerhand, Mark Jacoby, Adam Strochak, Pierre Davis, Caroline Lee and Ian Wilbur. Their time represents 79% of the time billed to this work code.

• In order to maintain the Debtors’ estates and properties, defend the Debtors in numerous adversary proceedings filed against the Debtors, including, but not limited to, the ERISA Litigation.

• In connection with the ERISA Litigation, it was necessary for WG&M to:
  • Review over 30,000 documents produced by individually named defendants, including Merrill Lynch & Co., Inc. (“Merrill Lynch”), and the Debtors in order to respond to specific privilege issues raised by the plaintiffs regarding communications between the Debtors and its ERISA counsel, Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.;

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4 The Abbott Litigants are those parties which filed proofs of claim nos. 17111, 17112, 22573, 22574, 24817, 24818 and 24819.
• Research legal issues related to attorney-client privilege, settlor and fiduciary functions, and the fiduciary exception to the privilege;

• Participate in conference calls with counsel for other parties in order to discuss privilege issues raised by the plaintiffs prior to depositions;

• Assist in the deposition preparation of the Debtors' outside ERISA counsel and individual named defendants with respect to maintaining the Debtors' attorney-client privilege;

• Draft correspondence to the plaintiffs in response to issues raised regarding privilege issues and ongoing discovery;

• Review documents produced by Merrill Lynch and other parties in order to ensure continued protection of the Debtors' attorney-client privilege;

• Draft privilege log for document production by Defendant Merrill Lynch to ensure continued protection of WorldCom's attorney-client privilege;

• Draft supplemental privilege log for document production by the Debtors' outside ERISA counsel and produce additional documents in response to issues raised by the plaintiffs.

• Represent the Debtors in adversary proceedings filed by the Debtors against entities, including:

  • Against Rosemarie Campos, seeking a temporary stay pursuant to section 105(a) of the Bankruptcy Code of a personal injury lawsuit against certain non-debtor parties filed by defendant Rosemarie Campos in the Supreme Court for Kings County, New York, on August 4, 2000, which sought $5 million in damages (the “Campos Proceeding”);

  • Against Duane G. West, seeking declaratory relief to foreclose Mr. West’s intention to seek redress for prepetition conduct even after the Effective Date;

  • Against Advanced Telecommunication Network, Inc., (“ATN”), seeking a declaratory judgment that (i) the Debtors are not obligated to pay any amounts to ATN for its alleged postpetition services, (ii) to the extent any amounts are owed to ATN for postpetition services, those amounts are owed by a third-party, and (iii) order the third-party to indemnify the Debtors as a result of ATN’s claims against the Debtors;

  • Against PPL Prism, LLC, seeking a declaratory judgment that the Debtors have the exclusive beneficial ownership of, and indefeasible right of use of a certain portion of a fiber network, and that these interests are the property of the Debtors’ estates.
• Successfully defend the Debtors by negotiating a stipulation and order in the Campos Litigation.

r. **Non Bankruptcy Litigation (Work Code 430)**

Total hours: 203.5  
Total fees: $94,879.00

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Marcia Goldstein, Joseph Allerhand, Jason Billeck, Peter Friedman and David Southard. Their time represents 70% of the time billed to this work code.

• In connection with the complaint filed by AT&T Corporation in the United States District Court for the Eastern District of Virginia, alleging that the Debtors engaged in improper least cost routing practices (the “AT&T Litigation”):
  • Negotiate and draft stipulation and order extending the deadline to answer the complaint;
  • Internally confer regarding motion to dismiss the AT&T Litigation;
  • Research the standard for granting venue transfers in the Southern District of New York;
  • Draft motion to transfer venue from the Eastern District of Virginia to the Southern District of New York;
  • Review, revise, and finalize the stipulation of dismissal in connection with the AT&T Litigation.

• Attend to issues regarding the proceeding filed by pro se plaintiff Frederick Stampone against the Debtors, including:
  • Draft the reply in support of the Debtors’ motion to dismiss due to Stampone’s violation of the automatic stay, which resulted in the Court’s decision to dismiss Stampone’s cause of action;
  • Review Stampone’s notice of appeal of the dismissal.
s. **Corporate Governance/Board (Work Code 440)**

Total hours: 2,655.9
Total fees: $1,363,444.43

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Marcia Goldstein, Frederick Green, Simeon Gold, Lori Fife, Holly Gregory, Bethany Cooper and William Welty. Their time represents 89% of the time billed to this work code.

- Advise the Debtors’ board of directors and senior management regarding corporate governance matters.
- Attend meetings of the WorldCom board of directors.
- Devote substantial time to conducting research and drafting the articles of incorporation and the by-laws of the reorganized Debtors to incorporate compliance with governance reforms.
- Participate in numerous internal teleconferences and meetings and teleconferences with the Debtors’ management to analyze and draft the reorganized articles of incorporation and by-laws.
- Review the Breeden Report in conjunction with drafting the governance provisions of the articles of incorporation and bylaws to prepare for a conference call with the Corporate Monitor.
- Conduct discussions with the Corporate Monitor, the Creditors’ Committee, and the Debtors regarding corporate governance and control issues.
- Implement the recommendations contained in the Breeden Report into corporate governance documents, such as the certificate of incorporation, the by-laws, the Committee Charters and the Corporate Governance Guidelines.
- Analyze the recommendations in the Breeden Report, including drafting memoranda, implementation charts, and comparisons with SOXA/listing rule compliance.
- Draft the certificate of incorporation, the bylaws, the Corporate Governance Guidelines and the Committee Charters for the Audit, Compensation, Nominating and Corporate Governance, and Risk Management Committees of the Reorganized Debtors’.
  - Confer with the Corporate Monitor, members of the Debtors’ board of directors and the Creditors’ Committee regarding revisions to the aforementioned documents.
• In order to comply with federal securities laws, specifically SOX, draft additional corporate governance documents, including, but not limited to, the CEO/CFO Code of Conduct, Whistleblower Policy, Disclosure Committee Charter, Disclosure Controls and Procedures, Insider Trading/Regulation FD Policy.

• As part of MCI’s defensive measures, draft Stockholder Rights Plan (including term sheets, Form 8-A, Form 8-K, press release, summary for Board and letter to stockholders).

• Present information and materials to the Debtors’ board of directors regarding the proposed Stockholder Rights Plan.

• Conduct discussions with Creditors’ Committee regarding the Stockholder Rights Plan.

• Review of legends to appear on Stock Certificates and coordination with the Depository Trust Company (“DTC”) regarding such legends.

• Coordinate with DTC regarding the Direct Stock Registration.

• Review and provide comments to the Debtors regarding MCI’s 10-K and 10-Qs prior to their filing.

• Attend to issues in connection with corporate checklists, timelines, and status calls throughout the Fourth Compensation Period in preparation for the Debtors’ emergence from chapter 11.

• Revise T-3, the form which contains information regarding the terms of an indenture, and which is required by the SEC whenever the terms of an indenture are revised.

• Revise Form T-1 (“T-1”), the form which contains information regarding the trustee of an indenture, and which is required by the SEC to accompany a T-3.

• Respond to SEC comments to the original T-3 and T-1.

• Review capitalization and ownership structure of all of the Debtor entities which guaranteed indentures, pursuant to the SEC’s request for more information regarding each of the Debtors’ subsidiary guarantors.
t. **Disclosure Statement (Work Code 450)**

Total hours: 17.3  
Total fees: $7,621.50

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Greg Danilow and Itiva Chopra. Their time represents 100% of the time billed to this work code (Please note that the attorneys billing to the Disclosure Statement work code misplaced their time, which should have been included under the Corporate Governance/Board work code).

- Conduct research in connection with the proxy statement disclosure of the Reorganized Debtors.

u. **Governmental/Regulatory Communications (Work Code 460)**

Total hours: 67.4  
Total fees: $29,499.00

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Marcia Goldstein, John Sipple and David Taylor. Their time represents 73% of the time billed to this work code.

- Advise and assist MCI Network Services Inc. to assign private radio licenses to Northwest Pipeline Corporation with the approval of the FCC, which regulates the use and assignment of private radio licenses. Specifically, the work included:
  - Advise the Debtors on various issues, such as a proposed management agreement and FCC approval to assign licenses;
  - Collect information for the assignment application and ownership report;
  - Assess the implications of the assignment application;
  - Work with opposing counsel on filing a joint assignment application;
  - Draft and revise public interest statement;
  - Review new settlement agreement;
  - Discuss the proposed transaction with the FCC;
  - Draft and submit the assignment application;
  - Assist in filing the ownership report;
  - Amend the assignment application.
v. Committee Communications/Meetings (Work Code 470)

Total hours: 61.0
Total fees: $37,666.00

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Marcia Goldstein, Lori Fife and Alfredo Perez. Their time represents 77% of the time billed to this work code.

- In an effort to reduce potential objections to various motions, work closely with the Creditors’ Committee to resolve their issues and answer questions with regard to the Debtors’ motions, such as motions seeking approval of various settlement agreements, and other concerns, such as criminal actions and governmental issues.

- Prepare for and attend meetings of the Creditors’ Committee.

- Strategize with the Debtors in preparation for the Creditors’ Committee meetings.

w. Avoidance Actions (Work Code 500C) and Ebbers Transaction (Work Code 505)

Total hours: 358.8
Total fees: $149,770.50

The primary billing attorneys that provided services under these work codes during the Fourth Compensation Period were Marcia Goldstein, Sharon Youdelman, Scott Cohen, Ronit Berkovich, Virginia Johnson and Christina Pullo. Their time represents 94% of the time billed to these work codes.

- Review the proofs of claim filed by Bernard J. Ebbers, WorldCom’s former CEO (the “Ebbers Claims”).

- Review various documents related to the Ebbers Claims, including the separation agreement between WorldCom and Mr. Ebbers, dated April 29, 2002, and other loan and guaranty agreements.

- Analyze and assess the merits of the Ebbers Claims against the Debtors.

- Conduct research and an analysis in connection with the Debtors’ objections and defenses to the Ebbers Claims.

- Confer internally regarding the Ebbers Claims.

- Draft a memorandum to MCI’s board of directors assessing the merits of the Ebbers Claims.

- Present the findings contained in the aforementioned memorandum to the Board.
x. **Creditor/Vendor/Customer Communications (Work Code 510)**

Total hours: 257.8  
Total fees: $84,278.00

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Richard Graham, Elana Lederman, Richard Guida and Christina Pullo. Their time represents 95% of the time billed to this work code.

- In an effort to facilitate productive relationships between the Debtors and their creditors, advise the Debtors regarding business issues with customers, vendors and suppliers.

- Communicate directly with numerous vendors, customers and creditors regarding effects of the Debtors’ cases under chapter 11, consequences of filing claims against the Debtors, interpretation of various orders, certain settlements, the notice regarding MCI Pre-merger Claims, dated November 19, 2003, and issues surrounding the confirmation of the Plan and distributions made in accordance with the terms of the Plan.

y. **International Issues (Work Code 520)**

Total hours: 25.9  
Total fees: $14,343.00

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Marcia Goldstein, Frederick Green and Scott Cohen. Their time represents 66% of the time billed to this work code.

- Due to the size and international nature of the Debtors’ businesses, WG&M is involved with WorldCom’s ongoing operations at the global level. Therefore, it was necessary to prepare for and participate in weekly telephone conferences with the Debtors’ legal team in charge of the Debtors’ non-debtor subsidiaries and affiliates located in Europe, the Middle East and Asia.

- Draft motion pursuant to Sections 105 and 363 of the Bankruptcy Code for authorization to rationalize the corporate structure of international operations in Asia-Pacific region in order to implement a realignment of the Debtors’ subsidiaries located in Southeast Asia, Australia and the Pacific Rim (the “Asia-Pac Group”) pursuant to which ownership of the Asia-Pac Group would be consolidated under a newly organized holding company.
z. **Intermedia Analysis (Work Code 530)**

Total hours: 2.1  
Total fees: $754.50

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Daniel Holzman and Christina Pullo. Their time represents 76% of the time billed to this work code.

aa. **Plan Confirmation (Work Code 560)**

Total hours: 2,504.9  
Total fees: $1,279,295.34

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Marcia Goldstein, Lori Fife, Stuart Goldring, Alfredo Perez, Adam Strochak, Sharon Youdelman, Lydia Protopapas, Christopher Marcus, Jessica Fink, Idit Froim, Scott Cohen, James Grogan, Ronit Berkovich and Christina Pullo. Their time represents 87% of the time billed to this work code.

- Intensely negotiate issues in the Plan with various parties, including the Creditors’ Committee, the MatlinPatterson Group (hereinafter defined), the ad hoc committees of Intermedia, WorldCom, and MCI bondholders, the US Department of Justice, and the US Trustee, in order to formulate a consensual plan of reorganization which would likely lead to confirmation and an expeditious emergence from chapter 11.

- Conduct meetings and teleconferences with the Creditors’ Committee and the prepetition lenders regarding various plan of reorganization issues.

- Confer internally and with the Debtors and Lazard regarding plan of reorganization issues.

- Coordinate internally between the Litigation Department and the BFR Department in preparation for the final day of the Confirmation Hearing.

- Review, formulate responses to, and work towards a resolution of, eight objections to the Second Amended Plan, specifically relating to the strenuous opposition to the classification of WorldCom General Unsecured Claims, MCI Pre-merger Claims, and Ad Hoc MCI Trade Claims Committee Claims together in one Class.

- Prepare for, attend, and represent the Debtors at the Confirmation Hearing on October 15, 2003.
• Negotiate and draft amendments to the Second Amended Plan to comply with the Court's ruling to separately classify certain of the WorldCom General Unsecured Claims.

• Expend numerous hours drafting of the proposed findings of fact and conclusions of law (A) approving (i) substantive consolidation and (ii) the settlements under the Debtors’ Modified Second Amended Plan and (B) confirming the Debtors’ Modified Second Amended Plan.

• Draft the proposed order confirming the Modified Second Amended Plan.

• Research issues related to Section 1129(b) of the Bankruptcy Code, the “cram down” provision.

• Review and analyze the Third and Final Report of Dick Thornburgh, Bankruptcy Court Examiner, regarding the potential implications on plan confirmation issues.

• Conduct meetings and teleconferences with the Debtors, the Creditors’ Committee and internally to discuss the implementation of the Plan.

• Attend to net operating loss and allocation issues.

• Address various issues in connection with the oversubscription of elections of New Notes.

• Address issues related to the payment of the Indenture Trustee fees under the Plan.

• Review and internally confer regarding the motion of Dr. Seymour Licht to compel disclosure of the results of creditors’ elections of New Notes and/or New Common Stock (the “Licht Motion”).

  • Draft Debtors’ response to the Licht Motion.
  • Prepare for, attend, and argue at the hearing to consider the Licht Motion.

• Prepare emergence checklist and attend to any outstanding emergence issues, including revise certain emergence documents.

• Draft, review, and revise rescission and settlement agreements (the “Rescission Agreements”), entered into by the Debtors with MatlinPatterson Global Opportunities Partners L.P., MatlinPatterson Global Opportunities Partners (Bermuda) L.P. and MatlinPatterson Phoenix SPV L.L.C. (collectively, the “MatlinPatterson Group”) and NBT PS Partners LLC and its subsidiary Deer Valley (Delaware) LLC (collectively, “Silver Lake”).
• Draft motion seeking approval of the Rescission Agreements, which void and terminate certain letter agreements entered into by the Debtors on December 23, 2003 with the MatlinPatterson Group and December 26, 2003 with Silver Lake (as amended and superseded on January 26, 2004, the “Letter Agreements”).

**bb. Exit Financing (Work Code W570)**

Total hours: 188.5  
Total fees: $80,536.50

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Michael Merola, Andrew Yoon and Jeremy Goldman. Their time represents 96% of the time billed to this work code.

• Assist the Debtors in negotiating, reviewing and executing exit financing documents, including (i) Letter of Credit Reimbursement Agreements with JPMorgan Chase Bank, Citibank, N.A. and Bank of America, N.A. and (ii) Cash Collateral Agreements with JPMorgan Chase Bank, Citibank, N.A. and Bank of America, N.A.

• Attend to issues related to subsidiary guarantors of the Debtors.

• Revise the New Notes Indenture.

**cc. MCI/Allegiance (Work Code W650)**

Total hours: 326.6  
Total fees: $103,711.00

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Alfredo Perez, James Grogan and Sharon Loftspring. Their time represents 71% of the time billed to this work code.

• In connection with the provision of utility services by the Debtors to Allegiance Telecom, Inc. (“Allegiance Telecom”), a facilities based CLEC with a nationwide network and a facility based business strategy, continuously monitor and review the chapter 11 case docket of debtor Allegiance Telecom.

• Negotiate and draft stipulated order for termination of Allegiance Telecom's use of a facility in Beltsville, Maryland.

• Prepare proofs of claim against Allegiance Telecom’s chapter 11 estates.

• Draft motion to lift the automatic stay against Allegiance Telecom.

• Prepare for, attend and argue at hearing to consider the motion to lift the automatic stay against Allegiance Telecom.
- Review and apprise client of various pleadings in the Allegiance Telecom case, including Allegiance Telecom's proposed disclosure statement and plan of reorganization, and the proposed sale of stock in Allegiance Telecom to XO Communications, Inc.

- Draft objections on behalf of MCI to Allegiance Telecom’s proposed plan and disclosure statement.

- Argue in support of MCI’s objections to Allegiance Telecom’s proposed plan and disclosure statement objections at hearings on same.

- Participate in discovery related to confirmation of Allegiance Telecom’s proposed plan of reorganization.

- Negotiate and draft settlement with Allegiance Telecom related to proofs of claim and plan objection.

**Appeals (Work Code W670)**

<table>
<thead>
<tr>
<th>Total hours:</th>
<th>38.9</th>
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<tbody>
<tr>
<td>Total fees:</td>
<td>$15,214.00</td>
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The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Alfredo Perez and Lydia Protopapas. Their time represents 69% of the time billed to this work code.

- In connection with the settlement agreement (the “SEC Settlement”) with the SEC regarding the SEC’s causes of action against the Debtors for alleged violations of sections 10(b), 13(a) and 17(a) of the Securities Exchange Act of 1934 (the “SEC Action”), which was pending in the United States District Court for the Southern District of New York (the “District Court”), attend to issues related to the appeals of the SEC Settlement commenced by HSBC Bank, USA (“HSBC”), the dissenting MCI Bondholders and the Ad Hoc Trade Claims Committee.

- Review the SEC Settlement in connection with the above-mentioned appeals.

- Negotiate, draft and revise the stipulations to stay the appeals of the SEC Settlement with HSBC, the dissenting MCI Bondholders and the Ad Hoc Trade Claims Committee.
ee. Nucentrix (Work Code W680)

Total hours:  77.1
Total fees:  $31,692.00

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Stefan Wright and James Grogan. Their time represents 98% of the time billed to this work code.

- Participate in negotiations of assumption and assignment of Nucentrix Basic Trading Area ("BTA") agreement to Nextel Communications, Inc (the "BTA Agreement").
- Draft the BTA Agreement.
- Draft emergency motion for an order approving the assumption and assignment of BTA lease and option agreement with Nucentrix Broadband Networks, Inc.
  - Draft the declaration for an expedited hearing to consider the aforementioned motion.
  - Prepare for, attend and argue at the hearing to consider the motion.

ff. ATN (Work Code W690)

Total hours:  325.0
Total fees:  $114,436.00

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Jason Billeck and Christopher Lopez. Their time represents 80% of the time billed to this work code.

- Draft objection to the amended claim for administrative expense claims filed by Advanced Telecommunication Network, Inc., ("ATN").
- Draft papers to convert ATN’s claim for administrative expense claims into an adversary proceeding to join a responsible third party, Cypress Communications ("Cypress").
- Research regarding ATN's claims and the Debtors' claims against ATN and Cypress.
- Draft adversary complaint against ATN and Cypress.
- Negotiate the scope and deadlines for discovery with ATN and prepare for and participate in hearing with the Court regarding the discovery disputes with ATN.
• Respond to ATN’s requests for interrogatories, document production, and deposition notices.

• Draft interrogatories, requests for production, and deposition notices on behalf of the Debtors.

• Negotiate and draft a confidentiality agreement between the Debtors, ATN, and Cypress regarding discovery.

• Review documents for production to ATN and documents produced by ATN and Cypress.

• Negotiate potential settlement options with ATN and Cypress.

• Research regarding status and filings in ATN’s chapter 11 case.

• Negotiate and draft scheduling order of the ATN/Cypress adversary proceeding.

• Review ATN’s and Cypress’s counterclaims against the Debtors and work on answers to each.

**gg. Examiner Investigation (Work Code W700)**

Total hours: 316.3
Total fees: $160,599.50

The primary billing attorneys that provided services under this work code during the Fourth Compensation Period were Marcia Goldstein, Adam Strochak, Kristin King and Ronit Berkovich. Their time represents 91% of the time billed to this work code.

• In connection with the investigation of Dick Thornburgh, the Bankruptcy Court Examiner, of certain prepetition tax minimization strategies recommended by KPMG LLP and implemented by the Debtors:
  
  • Participate in preparing witnesses for interviews in connection with the Examiner’s investigation;
  
  • Attend the interview of such witnesses;
  
  • Participate in numerous discussions with the Examiner regarding the investigation and the Debtors’ position with respect to the investigation.
  
hh. PT Cable (Pacific Telecom) (Work Code W710)

Total hours: 0.1
Total fees: $36.50

The primary billing attorney that provided services under this work code during the Fourth Compensation Period was James Grogan. His time represents 100% of the time billed to this work code.

REASONABLE AND NECESSARY SERVICES RENDERED
BY WG&M DURING THE FOURTH COMPENSATION PERIOD

42. The professional services performed by WG&M were necessary and appropriate to the administration of the Reorganized Debtors’ chapter 11 cases and were in the best interests of the Reorganized Debtors and other parties in interest. Compensation for the services described above is commensurate with the complexity, importance, and nature of the problems, issues, or tasks involved.

43. A significant amount of the services performed by members and associates of WG&M were rendered by the BFR Department. WG&M has a preeminent practice in this area and enjoys a national reputation for its expertise in financial reorganizations and restructurings of troubled entities, with approximately 80 attorneys (in the New York office alone) that specialize in this area of law.

44. The professional services performed by WG&M on behalf of the Debtors during the Fourth Compensation Period required an aggregate expenditure of 26,160.4 recorded hours by WG&M’s members, counsel, associates, and paraprofessionals. Of the aggregate time expended, 7,294.1 recorded hours were expended by partners and counsel of WG&M, 14,516.0 recorded hours were expended by associates, and 4,350.3 recorded hours were expended by paraprofessionals of WG&M. The professional services were performed with expediency and in an efficient manner.
45. During the Fourth Compensation Period, WG&M’s hourly billing rates for attorneys ranged from $250 to $775 per hour. Allowance of compensation in the amount requested would result in a blended hourly billing rate of approximately $404.13 (based on 26,160.40 recorded hours at WG&M’s regular billing rates in effect at the time of the performance of services [or approximately $457.81 per hour if you exclude paraprofessional time]). Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable bankruptcy cases in a competitive national legal market. As noted, attached hereto as Exhibit B is a schedule listing each WG&M professional and paraprofessional who performed services in these cases during the Fourth Compensation Period, the hourly rate charged by WG&M for services performed by each such individual, and the aggregate number of hours and charges by each such individual.

**ACTUAL AND NECESSARY DISBURSEMENTS OF WG&M DURING THE FOURTH COMPENSATION PERIOD**

46. As set forth in Exhibit C hereto, WG&M has disbursed $661,628.34 as expenses incurred in providing professional services during the Fourth Compensation Period. These expenses are reasonable and necessary in light of the size and complexity of the Debtors’ cases. In addition, numerous critical and unique issues have arisen in connection with these cases. Therefore, in order for WG&M to properly analyze and address such issues, WG&M attorneys have performed considerable research, all of which was necessary to further the Debtors’ reorganization and was in the best interests of the Debtors’ estates.

47. The time constraints facing the Debtors, along with the sheer magnitude of tasks generated by these cases, have required WG&M’s attorneys and other employees to devote significant time during the evenings and on weekends to perform legal services on behalf of the Debtors. Such services were essential to meet deadlines, timely respond to motions and
objections, and to satisfy the extraordinary demands of the Debtors’ businesses and the administration of these complex chapter 11 cases.

48. While WG&M does not generally charge the Reorganized Debtors for any overtime expenses, consistent with firm policy, attorneys and other employees of WG&M who worked late into the evenings or on weekends were reimbursed for their reasonable meal costs and their cost for transportation from the office to home. WG&M’s regular practice is not to include components for those charges in overhead when establishing billing rates and to charge its clients for these and all other out-of-pocket disbursements incurred during the regular course of the rendition of services. The reimbursement amounts do not exceed those set forth in the Guidelines.

49. With respect to photocopying expenses, WG&M charges its clients $.20 per page. With respect to facsimile expenses, WG&M charges $1.00 per page for outgoing facsimile transmissions. In addition, the actual cost of any long distance charges are separately itemized. This combined rate is invariably less than $1.25 per page, the amount permitted by the Guidelines. Each of these categories of expenses does not exceed the maximum rate set by the Guidelines. These charges are intended to cover WG&M’s direct operating costs, which costs are not incorporated into the WG&M hourly billing rates. Only clients who actually use services of the types set forth in Exhibit C are separately charged for such services. 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 and other facilities and services. The amount of the standard photocopying charge is intended to allow WG&M to cover the related expenses of its photocopying service. A determination of the actual expenses per page for photocopying,
however, is dependent on both the volume of copies and the total expenses attributable to photocopying on an annual basis.

50. In addition, because of the location of the Reorganized Debtors’ businesses in relation to WG&M’s offices, frequent long distance telephone calls were required. On several occasions, overnight delivery of documents and other materials was required as a result of circumstances necessitating the use of such express services. These disbursements are not included in WG&M’s overhead for the purpose of setting billing rates. WG&M has made every effort to minimize its disbursements in these cases. The actual expenses incurred in providing professional services were necessary, reasonable, and justified under the circumstances to serve the needs of the Debtors, their estates, and creditors.

FINAL COMPENSATION REQUESTED BY WG&M

51. By this Application, WG&M also requests final allowance of $39,754,184.17 for the Total Compensation Period, representing $37,132,504.16 as compensation for professional services rendered and $2,621,680.01 as reimbursement for actual and necessary expenses incurred by WG&M. In accordance with WG&M’s prior Monthly Fee Statements and interim fee applications in these chapter 11 cases, WG&M has received $30,578,479.37 for fees and disbursements incurred from July 21, 2002 through April 19, 2004. The Holdback, which represents the total amount of holdbacks from prior compensation periods, totaling $3,250,699.62, remains due and payable by the Reorganized Debtors to WG&M. Additionally, $5,925,005.15, comprised of professional fees and disbursements for the Fourth Compensation Period, remain outstanding. Since the Commencement Date, WG&M has voluntarily written off fees totaling $180,800.81 and expenses totaling $20,070.07, for an aggregate amount of $200,870.88.
52. The detailed time records and fee applications describing the professional services rendered and itemizing the related expenses incurred throughout these chapter 11 cases prior to the Fourth Compensation Period have been previously filed with the Court and are incorporated herein by reference, but not reiterated so as not to burden the Court with unnecessary duplicative material.

53. During the pendency of these chapter 11 cases, an extraordinary amount of professional services were required, under severe time constraints, to deal with various critical issues faced by the Debtors. Throughout these cases, WG&M prepared and filed, on behalf of the Debtors many documents, including motions, briefs, and responsive pleadings. WG&M advised and assisted the Debtors throughout these chapter 11 cases, and has staffed these cases with a core group of professionals to ensure efficiency and to minimize costs. Where needed, WG&M drew upon additional attorneys from other departments to provide specific expertise, e.g., for the litigation involved in the sale of Embratel. WG&M believes it assisted the Reorganized Debtors in an efficient and cost-effective manner and that its assistance achieved outstanding result – the emergence of the Reorganized Debtors from the largest bankruptcy ever filed. Under the circumstances, its request for final approval of professional fees and reimbursement of expenses should be approved as requested.

THE REQUESTED COMPENSATION SHOULD BE ALLOWED

54. 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).

55. In the instant case, WG&M respectfully submits that the services for which it seeks compensation in this Application were necessary for and beneficial to the Reorganized Debtors’ rehabilitation and reorganization efforts. Such services and expenditures were necessary to and in the best interests of the Debtors’ estates. In light of the nature, extent, and value of such services to the Debtors, their estates, and all parties in interest, and because of the magnitude and complexity of the Debtors’ chapter 11 cases, the compensation requested herein is reasonable.

56. The services rendered by WG&M were necessary and beneficial to the Debtors’ estates, and were consistently performed in a timely manner commensurate with the
complexity, importance, and nature of the issues involved. Accordingly, approval of the compensation sought herein is warranted.

57. 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, the Debtors respectfully request that the Court waive the requirement that the Reorganized Debtors file a memorandum of law in support of this motion.

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

WHEREFORE WG&M respectfully requests (i) final allowance and payment of compensation for professional services rendered during the Fourth Compensation Period in the amount of $10,572,220.19 and reimbursement for actual and necessary expenses WG&M incurred during the Fourth Compensation Period in the amount of $661,628.34 (less amounts previously paid to WG&M), (ii) final allowance of compensation for professional services rendered during the Total Compensation Period in the amount of $37,132,504.16, and reimbursement for actual and necessary expenses incurred during the Total Compensation Period in the amount of $2,621,680.01 (which amounts include the fees and expenses requested for the
Fourth Compensation Period and the Holdback), (iii) that this Court direct and authorize the
Reorganized Debtors as of the date an order approving this Application is approved to pay
WG&M the amounts outstanding, totaling $6,144,538.37 (which was reduced by the Retainer
and Credit held by WG&M) that WG&M has not yet received from the Debtors for the Total
Compensation Period, and (iv) that this Court grant WG&M such other and further relief as is
just.

Dated: Houston, Texas
July 19, 2004

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