

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

ORIGINAL

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**In re** :  
: Chapter 11 Case Nos.  
: :  
**GLOBAL CROSSING LTD., et al.,** : **02- 40187 (REG) through**  
: **02- 40241 (REG)**  
: :  
**Debtors.** : **(Jointly Administered)**  
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**NOTICE OF COMMENCEMENT OF CHAPTER 11  
 CASES AND MEETING OF CREDITORS PURSUANT  
 TO SECTION 341 OF THE BANKRUPTCY CODE**

**TO ALL INTERESTED PARTIES:**

**COMMENCEMENT OF CASES:** On January 28, 2002, the entities listed below (collectively, the "Debtors") each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York (the "Court"). The Debtors' chapter 11 cases are being jointly administered under Case No. 02-40188 (REG).

**CREDITORS MAY NOT TAKE CERTAIN ACTIONS:** A creditor is anyone to whom the Debtors owe money or property. Under the Bankruptcy Code, the Debtors are granted certain protection against creditors. Common examples of prohibited actions by creditors are contacting the Debtors to demand repayment, taking action against the Debtors to collect money owed to creditors or to take property of the Debtors, and starting or continuing foreclosure actions, repossessions or wage deductions. If unauthorized actions are taken against the Debtors, the Court may penalize that creditor. A creditor who is considering taking action against the Debtors or property of the Debtors should review section 362 of the Bankruptcy Code and may wish to seek legal advice.

**MEETING OF CREDITORS:** The Debtors' representative, as specified in Federal Rule of Bankruptcy Procedure 9001(5), is required to appear at the meeting of creditors on the date and at the place set forth below for the purpose of being examined under oath. Attendance by creditors at the meeting is welcomed, but not required. At the meeting, creditors may examine the Debtors. The meeting may be continued or adjourned from time to time by notice at the meeting, without further written notice to creditors.

**DATE, TIME AND LOCATION OF MEETING OF CREDITORS**

<b>Date:</b> March 25, 2002	<b>Location:</b> The Park Lane Hotel 36 Central Park Avenue South (between Fifth and Sixth Avenues) Second Floor Ballroom New York, New York 10019
<b>Time:</b> 9:30 a.m.	

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**PROOF OF CLAIM:** Schedules of creditors will be filed pursuant to Federal Rule of Bankruptcy Procedure 1007. Any creditor holding a scheduled claim which is not listed as disputed, contingent, or unliquidated as to amount may, but is not required to, file a proof of claim in these cases. Creditors whose claims are not scheduled or whose claims are listed as disputed, contingent, or unliquidated as to amount and who desire to participate in these cases or share in any distribution must file their proofs of claim. A creditor who desires to rely on the schedules of creditors has the responsibility for determining that the claim is listed accurately. A proof of claim form and the deadline notice will be sent to you at a later date. A deadline for the last day for filing proofs of claim has not yet been established.

**PURPOSE OF CHAPTER 11 FILING:** Chapter 11 of the Bankruptcy Code enables a debtor to reorganize pursuant to a plan. A plan is not effective unless approved by the Court at a confirmation hearing. Creditors will be given notice concerning any plan, or in the event these cases are dismissed or converted to another chapter of the Bankruptcy Code. The Debtors will remain in possession of their properties and will continue to operate their business unless a trustee is appointed.

**NOTICE:** You will not receive notice of all documents filed in these cases. All documents filed with the Court, including lists of the Debtors' property and debts, are available for inspection at the office of the clerk of the court listed below. Since this case is governed by the Court's General Order dated June 26, 1997 regarding electronic means of filing, signing and verifying documents, the Court's docket sheet and documents filed electronically are also accessible at the Court's Internet site, [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov), through an account obtained from Pacer Service Center at 1-800-676-6856. The attached Notice of Electronic Filing Procedure sets forth the requirements for using the Court's electronic filing system.

Dated: March 1, 2002  
New York, New York

Harvey R. Miller, Esq.  
Michael F. Walsh, Esq.  
Paul M. Basta, Esq.  
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Attorneys for the Debtors  
and Debtors In Possession

### List of Debtors

<u>Debtor's Current Name</u>	<u>Debtor's Former Name(s)</u>
Global Crossing North America, Inc.	Rochester Telephone Corporation Frontier Corporation
Global Crossing Ltd.	Global Crossing Holdings Ltd.
Atlantic Crossing Holdings Ltd.	Global Telesystems Holdings Ltd.
Atlantic Crossing Ltd.	Global Telesystems Ltd.
Atlantic Crossing II Ltd.	
Global Crossing Holdings Ltd.	
Global Crossing International Ltd.	GT Interconnect Services Ltd.
Global Crossing Network Center Ltd.	
Mid-Atlantic Crossing Holdings Ltd.	
Mid-Atlantic Crossing Ltd.	
Pan American Crossing Holdings Ltd.	
Pan American Crossing Ltd.	
South American Crossing Holdings Ltd.	
ALC Communications Corporation	
Atlantic Crossing Holdings U.K. Limited	
Budget Call Long Distance, Inc.	
Business Telemanagement, Inc.	
Equal Access Networks, LLC	
GC Dev. Co., Inc.	
GC Mart LLC	GC MART LLC
GC Pacific Landing Corp.	Neptune Communications Corp.
GC Pan European Crossing Holdings. B.V.	TeleNetWork Holding B.V.
GC Pan European Crossing Luxembourg I S.a.r.l.	
GC Pan European Crossing Luxembourg II S.a.r.l.	
G.C. St. Croix Co., Inc.	
Global Crossing Advanced Card Services, Inc.	LinkUSA Corporation Frontier Advanced Service Technologies Inc.
Global Crossing Bandwidth, Inc.	West Coast Telecommunications, Inc. Frontier Communications of the West, Inc.
Global Crossing Billing, Inc.	Frontier Billing Corp.
Global Crossing Cyprus Holdings Limited	GRADERICO Limited
Global Crossing Development Co.	
Global Crossing Employee Services, Inc.	
Global Crossing GlobalCenter Holdings, Inc.	
Global Crossing Government Markets USA, Inc.	
Global Crossing Holdings U.K. Limited	Cheltrading 162 Limited GT Interconnect Services UK Limited
Global Crossing Holdings USA LLC	GT Interconnect Services U.S. Corp. Global Crossing Sales USA Inc. Global Crossing Holdings USA Inc.

Global Crossing Internet Dial-Up, Inc.	
Global Crossing Latin America & Caribbean Co.	SAC Landing Corp.
Global Crossing Local Services, Inc.	Allnet Local Services, Inc. Frontier Local Services, Inc.
Global Crossing Management Services, Inc.	
Global Crossing North American Holdings, Inc.	
Global Crossing North American Networks, Inc.	RCI Corporation RCI Network Services, Inc. RCI Long Distance, Inc. Frontier Communications International Inc.
Global Crossing Telecommunications, Inc.	Allnet Communication Services of Michigan, Inc. Allnet Communication Services, Inc. Frontier Communications Services Inc.
Global Crossing Telemanagement VA, LLC	Frontier Telemanagement LLC
Global Crossing Telemanagement, Inc.	Applied Communications, Inc. Schneider Communications, Inc. Frontier Communications of the Great Lakes, Inc. Frontier Telemanagement Inc.
Global Crossing USA Inc.	
Global Crossing Ventures, Inc.	Frontier Internet Ventures Inc.
GT Landing Corp.	
GT Landing II Corp.	
IXNet, Inc.	
MAC Landing Corp.	
Metaclorin Investco II, Inc.	
PAC Landing Corp.	
Pan American Crossing U.K. Ltd.	
Subsidiary Telco, LLC	
US Crossing, Inc.	

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Attorneys for Debtors and  
Debtors In Possession

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**NOTICE OF HEARING ON APPLICATION OF THE  
DEBTORS PURSUANT TO SECTIONS 327(a) AND 328(a)  
OF THE BANKRUPTCY CODE FOR AUTHORIZATION TO  
EMPLOY THE BLACKSTONE GROUP, L.P. AS FINANCIAL ADVISORS**

TO ALL CREDITORS OF THE DEBTORS:

PLEASE TAKE NOTICE that Global Crossing Ltd. and its debtor subsidiaries (the "Debtors") seek a final order approving their Application Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code for Authorization to Retain and Employ The Blackstone Group, L.P. ("Blackstone") as Financial Advisors filed on January 28, 2002 (the "Application").

PLEASE TAKE FURTHER NOTICE that the Honorable Robert E. Gerber of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") approved an Interim Order Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code Authorizing the Employment and Retention of Blackstone as Financial Advisors for the Debtors and Debtors-in-Possession (the "Interim Order") on an interim basis pending a final hearing on the Application.

PLEASE TAKE FURTHER NOTICE that the final hearing on the Application is scheduled for April 16, 2002 at 9:45 prevailing Eastern Time at the United States Bankruptcy Court, Room 621, United States Customs House, One Bowling Green, New York, New York 10004.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Application must be filed and served no later than April 11, 2002 at 4:00 P.M. prevailing Eastern Time on (i) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Paul M. Basta, Esq.); (ii) Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York 10017 (Attn: Mark Thompson, Esq.); (iii) Milbank Tweed Hadley & McCloy, One Chase Manhattan Plaza, New York, New York 10005 (Attn: Luc Despins, Esq.); (iv) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Mary Tom, Esq.); (v) Brown Rudnick Berlack Israels LLP, 120 West 45th Street, New York, New York 10036 (Attn: Edward S. Weisfelner, Esq.); and (vi) Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022 (Attn: James L. Garrity, Esq.)

PLEASE TAKE FURTHER NOTICE that any objections to the Application must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-182 (General Order M-182 and the User's Manual for the Electronic Case Filing System can be found at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov), the official website for the Bankruptcy Court), by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), Wordperfect or any other Windows-based word processing format (with a hard-copy delivered directly to Chambers).

PLEASE TAKE FURTHER NOTICE that pursuant to the Application, Debtors seek to retain Blackstone to:

- a. Assist in the evaluation of the Debtors' businesses and prospects;

- b. Assist in the development of the Debtors' long-term business plan and related financial projections;
- c. Assist in the development of financial data and presentations to the Debtors' Board of Directors, various creditors, and other third parties;
- d. Analyze the Debtors' financial liquidity and evaluate alternatives to improve such liquidity;
- e. Evaluate the Debtors' debt capacity and alternative capital structures;
- f. Analyze various restructuring scenarios and the potential impact of these scenarios on the value of the Debtors and the recoveries of those stakeholders impacted by the Restructuring;
- g. Provide strategic advice with regard to restructuring or refinancing the Debtors' Obligations;
- h. Participate in negotiations among the Debtors and their creditors, suppliers, lessors and other interested parties with respect to a Restructuring, Transaction, Financing or other matter;
- i. Value securities offered by the Debtors in connection with a Restructuring;
- j. Assist in arranging DIP Financing, as requested;
- k. Assist in the arranging of a Financing, including identifying potential sources of capital, assisting in the due diligence process, and negotiating the terms of any proposed Financing, as requested;
- l. Assist the Debtors in executing a Transaction including identifying potential buyers or parties in interest, assisting in the due diligence process and negotiating the terms of any proposed Transaction, as requested;
- m. If required, provide fairness opinions related to Transactions, Financing or Restructurings for which Blackstone shall have earned a fee;
- n. Provide testimony in any Chapter 11 case concerning any of the subjects encompassed by the other financial advisory services, if appropriate and as required;

- o. Provide such other advisory services as are customarily provided in connection with the analysis and negotiation of a Restructuring, Transaction or Financing, as requested and mutually agreed.

PLEASE TAKE FURTHER NOTICE that, if its retention is approved, Blackstone will, unless such terms prove to have been improvident in light of developments not capable of being anticipated at the time of the hearing, be entitled to receive the following compensation:

- a. a Monthly Fee, commencing March 16, 2002, in the amount of \$200,000 in cash per month, with the first Monthly Fee payable on March 15, 2002 and additional installments of such Monthly Fee payable in advance on the 15<sup>th</sup> of each month;
- b. a DIP Financing Fee of 0.5% of the total facility size of any DIP financing arranged by Blackstone, payable upon receipt of a binding commitment letter for such a facility;
- c. a Financing Fee upon the raising of new capital in the Company calculated by multiplying (1) the applicable Financing Fee Percentage (according to the Financing Fee table below) and (2) the gross proceeds to the Company upon the closing of a Financing. In the event the Financing takes the form of a committed facility that is not initially fully drawn, the Financing Fee shall be calculated based on the committed amount. To the extent the gross proceeds or committed amount falls between any two points on the table below, the Financing Fee Percentage will be interpolated between the relevant intervals shown. Provided, however, that if an investment is received from Hutchison Whampoa Limited and/or Singapore Technologies Telemedia Pte. Ltd., Blackstone shall earn a fee equal to 50% of the amount calculated according to the formula referenced above in this paragraph. Provided further, however, that Blackstone shall neither have responsibility for nor earn a fee with respect to an Accounts Receivable Securitization;

Financing Fee Table	
Gross Proceeds or Committed Amount (\$ in millions)	Financing Fee Percentage
\$200 or less	3.000%
\$500	2.000%
\$1,000	1.800%

\$1,500 or more	1.600%
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d. upon the consummation of a Transaction, a Transaction Fee payable in cash at the closing of the Transaction. The Transaction fee shall be calculated by multiplying (1) the applicable Transaction Fee Percentage (according to the Transaction Fee table below) and (2) the Consideration. For Consideration that falls between any of the points shown in the table below, the Transaction Fee Percentage will be interpolated between the relevant intervals of the Consideration shown. Provided, however, that Blackstone shall neither be responsible for nor earn a fee with respect to a sale of Global Marine. Provided further, however, that the same transaction shall not be deemed both a Financing and a Transaction; and

Transaction Fee Table	
Consideration (\$ in millions)	Transaction Fee Percentage
\$200 or less	1.500%
\$500	1.000%
\$1,000	0.900%
\$1,500	0.800%
\$2,000	0.700%
\$3,000	0.600%
\$4,000 or more	0.500%

e. upon the completion of a Restructuring, a Restructuring Fee equal to 0.4% of the total face value of any Obligations of the Company that is restructured, refinanced, modified or amended as part of the Restructuring. Provided, however, that the total fees payable to Blackstone under paragraphs (a), (b), (c) and (e) of this Agreement shall be capped at \$25 million (the "Cap"). Provided further, however, that if Blackstone earns a Transaction Fee with respect to a sale of a significant interest in all or substantially all of the Company, then the Transaction Fee payable to Blackstone in respect of such Transaction shall also, together with fees payable under paragraphs (a), (b), (c) and (e), be subject to the Cap. For the avoidance of doubt, fees earned by Blackstone under paragraph (d) which are a result of Transactions involving specific assets or subsidiaries of the Company shall not be subject to the Cap. The Restructuring Fee shall be payable upon the effective date of the plan of reorganization.

PLEASE TAKE FURTHER NOTICE that all capitalized terms contained in the foregoing paragraphs are defined in the engagement letter dated as of January 28, 2002, between Blackstone and Debtors (the "Engagement Letter").

PLEASE TAKE FURTHER NOTICE that if the Application is granted, the Debtors will indemnify and hold Blackstone harmless against liabilities arising out of or in connection with its retention by Debtors except for any such liability for losses, claims, damages or liabilities incurred by the Debtors that are finally judicially determined by a court of competent jurisdiction to have primarily resulted from the bad faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct of Blackstone.

PLEASE TAKE FURTHER NOTICE that the foregoing summary of certain elements of the retention is not complete and that the full terms of the retention are contained in the Application and the Engagement Letter, which are available for inspection at the clerk's office for the Bankruptcy Court and on the Bankruptcy Court's Internet site at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov), through an account obtained from Pacer Service Center at 1-800-676-6856. To the extent that the summary of the retention terms set forth in this notice conflict with the terms of the Engagement Letter, the terms of the Engagement Letter control.

Dated: March 1, 2002  
New York, New York



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