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Hearing Date: January 21, 2003 at 2:30 p.m.
Objections Due: January 16, 2003 at 4:30 p.m.

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

In re:)	Chapter 11
GENUITY INC., et al.)	Case No. 02-43558 (PCB)
Debtors.)	Jointly Administered

**NOTICE OF APPLICATION FOR ORDER UNDER 11 U.S.C. §§ 327(a), 328 (a),
1103(a) AND FED. R. BANKR. P. 2014 (a) AUTHORIZING EMPLOYMENT AND
RETENTION OF DELOITTE & TOUCHE LLP AS CONSULTANTS AND FINANCIAL
ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS,
NUNC PRO TUNC TO DECEMBER 10, 2002**

PLEASE TAKE NOTICE that on January 7, 2003, the Official Committee of Unsecured Creditors (the "Committee") of Genuity, Inc. and its domestic affiliates (collectively, the "Debtor"), filed an Application For Order Under 11 U.S.C. §§ 327(a) and 328(a) and Fed R. Bankr. P. 2014(a) Authorizing Employment and Retention Of Deloitte & Touche LLP ("Deloitte") as Consultants and Financial Advisors to The Official Committee of Unsecured Creditors, *Nunc Pro Tunc* To December 10, 2002 (the "Application").

PLEASE TAKE FURTHER NOTICE that a **final hearing (the "Hearing")** to consider the Application shall be held before the Honorable Prudence C. Beatty, United States Bankruptcy Judge, in Room 701 of the United States Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York, 10004, on **January 21, 2003 at 2:30 p.m. (New York Time)**, or as soon thereafter as counsel may be heard.

- AUS _____
- CAF _____
- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC _____
- OTH None

PLEASE TAKE FURTHER NOTICE that **objections, if any, to the Application must be filed and served** in accordance with the Bankruptcy Court's Order Under 11 U.S.C. §§ 102 and 105 and Fed. R. Bankr. P. 2002, 9006 and 9007 Establishing Certain Notice, Case Management and Administrative Procedures, dated December 2, 2002, **no later than January 16, 2003 at 4:30 p.m. (New York Time)** upon: (i) the Debtor, 225 Presidential Way, Woburn, MA 01801, Attn: Ira H. Parker, (ii) Ropes & Gray, Attorneys for Debtors and Debtors in Possession, One International Place, Boston, Massachusetts, Attn: Don S. DeAmicis and 885 Third Avenue, New York, New York 10022, Attn: D. Ross Martin, (iii) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Brian Masumoto, (iv) Kramer Levin Naftalis & Frankel LLP, counsel for the Committee, 919 Third Avenue, New York, New York

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10022, Attn: David Feldman, (v) Shearman & Sterling, counsel to JP Morgan Chase Bank, Administrative Agent under the Amended and Restated Credit Agreement dated September 24, 2001, 599 Lexington Avenue, New York, New York 10022, Attn: Douglas P. Bartner, (vi) Securities and Exchange Commission, 233 Broadway, Suite 1300, New York, New York 10279, Attn: Bankruptcy Department and Securities and Exchange Commission, 15th and Pennsylvania Ave., NW, Washington, DC 20020, Attn: Michael Berman, (vii) Internal Revenue Service, 290 Broadway, New York, New York 10007, Attn: Bankruptcy Department, and (viii) all parties having filed a notice of appearance and request for notices under Rule 2002 of the Federal Rules of Bankruptcy Procedure.

PLEASE TAKE FURTHER NOTICE that any objections must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and Local Rules of the Bankruptcy Court, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (General Order M-242 and the User's Manual for the Electronic Case Filing System can be found at 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 Formant (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, the Committee seeks to retain Deloitte to:

- a. Assist and advise the Committee in its analysis of the Debtor's current financial position and near term prospects;
- b. Assist and advise the Committee in its analysis of the Debtor's business plans, cash flow projections, restructuring programs, selling and general administrative structure, and other reports or analyses prepared by the Debtor or its professionals in order to advise the Committee;
- c. Assist and advise the Committee in its analysis of proposed transactions, and other matters for which the Debtor may seek Bankruptcy Court approval including, but not limited to, asset sale transactions, assumption/rejection of executory contracts, management compensation and/ or retention and severance plans;
- d. Assist and advise the Committee and its counsel in the evaluation, or development and documentation of any plan(s) of reorganization or strategic transaction(s). Such advice and assistance may include, but is not limited to assistance in developing, structuring and negotiating the terms and conditions of potential plan(s) or strategic transaction(s), and the evaluating the adequacy of the consideration offered to the unsecured creditors;
- e. Assist and advise the Committee in its efforts to understand its recovery under various scenarios, ranging from a forced liquidation of assets to an orderly disposition of assets, as well as a sale of the business as a going concern;
- f. Attend and advise at meetings with the Committee and its counsel, the

- g. Debtor and its professionals, and other parties of interest as required; and
Such other services, as requested by the Committee and as may be agreed to by Deloitte.

PLEASE TAKE FURTHER NOTICE that, if its retention is approved, Deloitte 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. The Fixed Monthly Fees: With respect to the fixed monthly fees, Deloitte will initially charge the estate a fixed fee of \$125,000 per month (the "Initial Monthly Fee Rate"). Subsequently, Deloitte will reduce the fixed fee amount to \$75,000 per-month (the "Post-Closing Fee Rate"). The Initial Monthly Fee Rate will be utilized from the December 10, 2002, prorated for the first month, through the consummation of a transaction to dispose of substantially all of the assets of the Debtor's estates. Thereafter, the monthly fee will be reduced to the Post-Closing Fee Rate throughout the remainder of these Chapter 11 cases.
- b. The Aggregate Fee Cap: Each month, prior to submitting its monthly fee application, Deloitte will calculate the Aggregate Fee Cap Amount, defined as the product of (i) the cumulative actual time expended by all Deloitte personnel for the current and prior months multiplied by (ii) 80% of its billing rates for those individuals. Deloitte will then compare the Aggregate Fee Cap Amount to the sum of (i) the applicable fixed monthly fee for the then current month, and (ii) the aggregate value of the fees requested and approved in all prior months (the "Aggregate Fee Amount"). If the Aggregate Fee Amount exceeds the Aggregate Fee Cap Amount, Deloitte will voluntarily reduce the amount sought for the then current month by the amount of such excess.

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, which is 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, through an account obtained from Pacer Service Center web site at www.pacer.psc.uscourts.gov. To the extent that the summary of the retention terms set forth in this notice conflict with the terms of the Application, the terms of the Application control.

Dated: Boston, Massachusetts
January 10, 2003

ROPES & GRAY

/s/ D. Ross Martin _____

William F. McCarthy (WM-1669)
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