

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of	)	IB Docket No. 02-286
	)	File Nos. ISP-PDR-20020822-0029;
GLOBAL CROSSING, LTD.	)	ITC-T/C-20020822-00406
(Debtor-in-Possession),	)	ITC-T/C-20020822-00443
	)	ITC-T/C-20020822-00444
Transferor,	)	ITC-T/C-20020822-00445
	)	ITC-T/C-20020822-00446
and	)	ITC-T/C-20020822-00447
	)	ITC-T/C-20020822-00449
	)	ITC-T/C-20020822-00448
GC ACQUISITION LIMITED,	)	SLC-T/C-20020822-00068
	)	SLC-T/C-20020822-00070
Transferee	)	SLC-T/C-20020822-00071
	)	SLC-T/C-20020822-00072
Application for Consent to Transfer	)	SLC-T/C-20020822-00077
Control and Petition for Declaratory	)	SLC-T/C-20020822-00073
Ruling	)	SLC-T/C-20020822-00074
	)	SLC-T/C-20020822-00075
	)	0001001014

**GLOBALAXXESS' SUPPLEMENTAL RESPONSE
TO ST TELEMEDIA'S THIRD APPLICATION FOR
CONSENT TO TRANSFER CONTROL AND
PETITION FOR DECLARATORY RULING**

In the May 26, 2003 response filed against the Third Application for Consent to Transfer Control to ST Telemedia, we notified the Commission that the Financial Advisor of the Creditor's Committee is in fact Chanin Capital Partners, founded by Jeffrey Chanin, a former Michael Milken co-defendant and a former business associate of Global Crossing founder Gary Winnick.

We have had our investigators continue to "peel this onion back one layer at a time" and other matters have come up that the Commission needs to be aware of regarding the charade that has been brought before it by these Applicants.

Mr. Norman Brownstein is a former director on the board of Global Crossing and a former director on the Asia Global Crossing board¹. Additionally, Brownstein served on both the Global Crossing and Asia Global Crossing boards at the same time.

NORMAN BROWNSTEIN

Norman Brownstein has been a member of the board of directors since August 2000. Mr. Brownstein has been a member of the Global Crossing board of directors since May 2000. Since 1986, he has served as Chairman of the Board of the law firm of Brownstein Hyatt & Farber, P.C. Mr. Brownstein is a presidential appointee of the U.S. Holocaust Memorial Council, a director of the National Jewish Center for Immunology and Respiratory Medicine, a Trustee of the Simon Wiesenthal Center, and a Vice President of the American Israel Public Affairs Committee. Mr. Brownstein is also a member of the board of directors of Wyndham International.

This Respondent believes that Applicant STT knows this person quite well since STT was a co-owner of Asia Global Crossing during the period of time that Mr. Brownstein was on the board of directors of both companies. Just coincidentally, apparently Mr. Steven J. Green was on the board during part of that time as well.

Mr. Brownstein has been a highly paid lobbyist for Global Crossing². This Respondent believes that such is both a conflict of interest and a collapse of corporate governance to have a principal paid lobbyist on the board of directors.

According to a March 31, 2002 “Lobbyist List” published by the Colorado Secretary of State³, Mr. Brownstein is also a lobbyist for the Private Equity Alliance, page 83 of 103, and Salomon Smith Barney, page 89 of 103, and TIAA, 730 Third Avenue, NY, NY, page 94 of 103.

Respectfully, abusive private equity players and utilization of abusive offshore hedge fund trading techniques are part of what is going wrong in our capital markets and abusing small investors. This Respondent has already made much known about that subject and how many conflicts of interest exist in the Global Crossing bankruptcy case already.

Another serious conflict of interest has surfaced involving Mr. Brownstein’s lobbyist status for Teacher’s Insurance & Annuity Association of America, **an entity that sits on the Debtor’s Creditor’s Committee**. [emphasis added] See page 64 of 282, Respondent’s Attachment A filed by ECFS on May 26, 2003:

¹ http://www.asiaglobalcrossing.com/resources/newsroom/pdfs/agc_directors.pdf

² <http://www.govexec.com/dailyfed/021102ti.htm>

³ http://www.sos.state.co.us/pubs/elections/employer_clientdir.pdf

The Creditors Committee consists of twelve members. The current members of the Creditors Committee, and the attorneys and financial advisors retained by the Creditors Committee, are set forth below:

Co-Chairs of the Creditors Committee

Alcatel and affiliates
15540 North Lombard Street
Portland, Oregon 97203-6428

PPM America
225 West Wacker
Suite 1200
Chicago, IL 60606

Other Creditors Committee Members

The Bank of New York
as Indenture Trustee
101 Barclay Street, 8W
New York, New York 10286

Dupont Capital Management
One Righter Parkway, Suite 3200
Wilmington, Delaware 19803

Hartford Investment Management Co.
Hartford Investment Services, Inc.
55 Farrington Avenue
10th Floor
Hartford, Connecticut 06105

Lucent Technologies Inc.
600 Mountain Avenue
Murray Hill, New Jersey 07974-0636

**Teachers Insurance and Annuity
Association of America
730 Third Avenue
New York, New York 10017-3206**

Wilmington Trust Company,
as Indenture Trustee
520 Madison Avenue
36th Floor
New York, New York 10022

and

Rodney Square North
1100 North Market Street
Wilmington, DE 19890

Verizon Communications, Inc.
c/o William Cummings
1095 Avenue of the Americas
Room 3531
New York, New York 10036

Aegon USA Investment Management,
LLC
4333 Edgewood Road, N.E.
Cedar Rapids, Iowa 52499

Wells Fargo Bank Minnesota, National
Association,
as Indenture Trustee
Sixth and Marquette,
MAC N9303-120
Minneapolis, MN 55479

U.S. Trust Company
499 Washington Boulevard, 7th Floor
Jersey City, New Jersey 07310

We are not certain exactly which Creditor's Committee representative, or if there are more than one, that are representing the \$600,000,000 of Frontier debt that is still on Global Crossing's books and should not be. Whether that number is one creditor or creditor representative or more than one, those parties should be placed under immediate investigation for being party to a sizeable fraud. There are some serious legal issues regarding whether or not this is a legitimate claim against GCL or should be on the books of Citizens Communications. This Respondent feels reasonably certain that under its plan of reorganization that matter can be sorted out very fast.

In bankruptcy cases, it is fairly common practice for creditors to undertake what is referred to as "alignment of financial interests" to preserve and protect creditor rights and claims to try and reach an end solution that is in the "best interest" of all creditors. However, in this case two things are reasonably apparent and becoming more suspect the closer one looks. First, certain creditors are looking out for their own best interest to the detriment of other creditors. Secondly, if this matter were to be looked into fully and completely by a truly independent party, and evaluation performed of all relationships, conflicts of interest, alter egos, etc, this may well be a bankruptcy case where the Debtor has control of the Unsecured Creditors Committee either directly, indirectly, through coercion or duress, or other means of influencing the outcome of this bankruptcy case in its favor and to the detriment of most of its creditors and all of its shareholders.

That definitely is not how the process is supposed to work.

The reason that this Respondent is very suspicious and untrusting of what is going on in the Global Crossing bankruptcy is more due to the actions of STT than any other party. Even in the face of what any reasonable person would know to be mounting opposition and possibly even insurmountable opposition, Applicant STT seems to be 100% sure that this is a done deal and will not consider any alternatives. That is why this Respondent is beginning to suspect that a “stacked deck game” is in progress.

In 1999, Global Crossing paid \$2.5 million in lobbying costs to secure permission from this Commission to lay the Pacific cable.⁴

Mr. Brownstein is a named defendant in the ERISA fraud actions filed by Keller & Rohrback and co-counsel Dalton Gotto Samson & Kilgard.⁵

Mr. Brownstein is a named defendant in many of the class action securities fraud cases.⁶

Creditors Committees in bankruptcy have a fiduciary responsibility to all creditors regardless of size of claim. It is growing more apparent every day to this Respondent that certain creditors are abusing other creditors in their haste to get this entire fraudulent activity put to bed and kept under wraps.

Chanin Capital Partners did not even form a telecommunications advisory group until January 31, 2002 according to a press release⁷ from that company, or three days after GCL filed the Chapter 11 petition. The Respondent believes this raises several legitimate questions of: (i) whether or not Chanin was qualified for a bankruptcy case of this magnitude and degree of complexity or (ii) whether their appointment was an accommodation to yet another insider with prior activities amounting to “conflicts of interest” and basically a “stacking of the deck” with specific instructions as to what the mission and objectives were in this bankruptcy case, legal or not.

So that there is no mistaken identity, a press release from Chanin Capital announcing the death of Jeffrey Chanin, former Drexel Burnham & Lambert was made December 18, 2001 shortly before Global Crossing filed bankruptcy⁸.

⁴ <http://www.govexec.com/dailyfed/021102ti.htm>. In 1999, as Global Crossing planned to lay a trans-Pacific fiber optic cable and sought approval from the Federal Communications Commission, the company paid more than \$2.5 million for lobbying services to Anne Bingaman, head of the Justice Department’s anti-trust division from 1993 until 1996 and the wife of Senate Deputy Democratic Whip Jeff Bingaman of New Mexico.

⁵ http://www.erisafraud.com/global_crossing/complaint_original.html

⁶ <http://wyca.com/complnts/asg-com.htm>

⁷ http://www.chanin.com/images/PDF/Final%20Tech%20Group%201_31_02_2.pdf

⁸ http://www.chanin.com/images/PDF/Final%20JChanin%2012_18_01.pdf

Further inquiry shows that the son of Gary Winnick [Adam Winnick] has been set up by his father to do business as a venture capital firm⁹. One of the other founding partners of that VC firm is the son Chad Brownstein of Norman Brownstein, the former board member of Global Crossing and Asia Global Crossing and a paid lobbyist of Global Crossing. This Respondent thought it had seen every re-run of “*All in the Family*”.

This Respondent has been unable prior to filing this to verify if the Chanin Marketing Coordinator, Leslie Brownstein, is in any way related to Norman Brownstein or Chad Brownstein. See footnote 7 and 8. Mr. Brownstein’s son and the VC firm co-founded with the Winnick son is based in Los Angeles, CA as is Chanin Capital. Therein may lay the answer.

If the Commission staff will retrieve a complete and full copy of the United States Court of Appeals, Second Circuit case listing all Michael Milken co-defendants it will readily see why this Respondent is of the position that another Predator’s Ball may be forming while the U.S. Bankruptcy Court and FCC are trying to figure out what to do about this one; i.e. Global Crossing. At the footnote below¹⁰ and by comparing the names in the article to those names on the U.S. Court of Appeals Second Circuit Milken case, specifically Davidow, Black and Ressler of Apollo, Mark Attanasio of Trust Company of the West, and others, the point should not be lost.

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

No. 1371 August Term, 1995

(Argued: May 3, 1996 Decided: August 26, 1996)

Docket No. 95-9072

PRESIDENTIAL LIFE INSURANCE COMPANY,
Plaintiff-Appellee,
TLC BEATRICE INTERNATIONAL HOLDINGS, INC.,
Movant-Appellant,

v.

MICHAEL R. MILKEN; et al and including: **LEON BLACK = Apollo Advisors = Blackstone; MARK ATTANASIO = Trust Company of the West DISTRESSED ASSETS, former Global Crossing board member, current Asia Global Crossing board; JEFFREY CHANIN = Chanin Capital Partners (Los Angeles); BRUCE RABEN = Argosy Partners = CIBC = GLOBAL CROSSING, over \$1.3 billion in profits on Global Crossing; ANTHONY RESSLER = Tony Ressler = founding partner of Apollo = Ares =**

⁹ http://www.itu.com/rocky_mountain.html

¹⁰ <http://www.ventureeconomics.com/vcj/protected/1031551048846.html>

Blackstone; MILKEN FAMILY FOUNDATION = Milken Institute = AIG ORION FUND investments into Israel and more. See Winnick and AIG ORION investing into Israel including FOXCOR Wireless with Singapore (another potentially undisclosed fact to the FCC); PACIFIC ASSET ADVISORS = GARY WINNICK; PACIFIC ASSET CORPORATION = GARY WINNICK; PACIFIC ASSET HOLDINGS L.P. = GARY WINNICK; PACIFIC ASSET MANAGEMENT INC. = GARY WINNICK; PACIFIC ASSETS PARTNERSHIP = GARY WINNICK; PACIFIC CONTINENTAL PARTNERS = GARY WINNICK; RA PARTNERSHIP = RAPID AMERICAN = MESHULAM RIKLIS = STEVEN J. GREEN as a front man for Meshulam Riklis in McCrory's, Astrum International, Samsonite, E-II Holdings.¹¹

See In re Michael Milken and Associates Securities Litigation, 150 F.R.D. 57 (S.D.N.Y. 1993).

This Respondent is of the position that it has made a very clear statement of what is going on in that SDNY bankruptcy case and how the shareholder's legal rights and entitlement to equal protection under the law and equitable treatment under the law has been and continues to be systematically denied by the U.S. Bankruptcy Court and a group of people that have very high motivations for getting the Global Crossing deal tucked to bed and get the exculpation, injunction and releases afforded under a Confirmation Order from the U.S. Bankruptcy Court.¹²

Blackstone has serious conflicts in being financial advisor to the Debtor and apparently wanting to hide Citizens Communications / Frontier activities and issues lurking within some of the creditor classes.

Chanin Capital Partners apparently formed a telecom group after the filing of the petition possibly for a special assignment and its prior ties to Winnick say "conflict of interest".

As a lobbyist, Brownstein represents a major creditor in the case, a Member of The Creditors Committee, is a former board member of both Global Crossing and Asia Global Crossing and named in many ERISA fraud and securities fraud cases. This Respondent said this in its May 26 filing and paraphrases it again: There is no way anything but a conflicted decision can come out of the Global Crossing bankruptcy as it is positioned today with conflicts upon conflicts upon conflicts.

There is \$600,000,000 of Frontier debt left on the books of this Debtor, apparently being used as a "trading chip" back and forth between Creditor Classes C, D and E to

¹² See GlobalAxxess Response, May 26, 2003, page 34 of 69 regarding the extent of persons protected under exculpation, injunction and releases of the Confirmation Order.

abuse all other creditors in the bankruptcy case and the shareholders. This alone suggests that there are some serious breaches of fiduciary duties occurring as expediency and accommodations to certain creditors and advisors appears to be more important than the law.

The “**Liabilities Subject to Compromise**” on page 45 of 282, Respondent’s Attachment A filed May 26, 2003 (the Debtor’s Disclosure Statement)¹³, of \$7.835 billion is a totally and completely contrived number made up of the “losses” caused by: 1.) Blackstone / Citizens Communications removal of Frontier for \$3.65 billion after Global Crossing paid \$11.2 billion (\$7.55 billion in false “impairment” as to how it was used to deny the shareholders an Official Equity Holder’s Committee) and 2.) an additional \$300 million resulting from the removal of IPC Information Systems asset by Goldman Sachs. Or \$7.55 billion + \$300 million = \$7.85 billion in “Liabilities Subject to Compromise” that was fabricated to keep the shareholders out of the process and discovery of what has really been going on and what was really done to many creditors and the shareholders.

Additionally, the shareholders were informed that the “legal fees” that would have to be paid by the Debtor estate were deemed inappropriate in light of the Asset Impairment. In short, deemed a needless expense to the Debtor estate. This FCC Commission should be made aware that over \$40 million in professional fees have been paid out to date in this bankruptcy for this “cover up”, including legal fees resulting from civil and criminal investigations of Global Crossing management.

They have done a masterful job of duping the bankruptcy court and perverting the process. This Respondent still maintains that they are trying to now dupe this Commission.

Their urgent desire to get exculpation, injunction and release is now explained to this Commission and should be fully understood or, if not fully understood, the Commission should be well aware that there are major problems and a cover up is in progress.

In all due respect to the U.S. Bankruptcy Court, this bankruptcy case should be stopped right now and the house should be cleaned. The Court should not be a haven from fraud.

The Department of Justice should either directly address what is going on in the U.S. Bankruptcy Court before Judge Gerber, or refer this matter to the U.S. Courts, Bankruptcy Division if the Court does not, in and of its own resolve, clean this mess up.

The conflicts of interests parties that have been allowed to exist in what has every appearance of a cover up of the wrongful acts of some parties should be dismissed from

¹³ See GlobalAxxess Response, May 26, 2003.

this bankruptcy case, removed from influencing the bankruptcy case, and truly independent parties brought in to straighten out this mess and the cover up.

The shareholders should be granted a full Official Equity Holders Committee including the right to hire its own financial advisor and attorneys, and a full investigation into the matters this Respondent has brought out should be conducted right now, not later.

This Commission should refuse to grant any change of control to any party until such steps are taken.

As stated before, if the Commission digs to the bottom of this barrel it will learn that there is a very long list of “persons” and “entities” that would be protected under the “exculpation” provisions. This list probably includes Mr. Steven J. Green working in the background as a “consultant” for both Global Crossing and the Singapore government (STT’s ultimate owner) as he is also currently a consultant for the Republic of Singapore government.

The Singapore government has appointed former U.S. ambassador to Singapore Steven J. Green, as its representative to the United States government¹⁴. He should not be allowed any where around this process for any reason, whether directly or indirectly, nor should those known to be aligned with him.

We can all probably presume that Norman Brownstein may be somewhere on that list too as either an “advisor” or “consultant” to TIAA.¹⁵

In closing, this Respondent is stating to STT and its counsel that if there is a “conspiracy” anywhere, it is in the fabrications going on in the U.S. Bankruptcy Court and being packaged and brought before this Commission.

This Respondent was contacted on May 27, 2003 by a party it knows asking that we give STT one last chance to reconsider our previous offers for them to team up with this Respondent on a significantly different transaction and one that would treat all creditors either more fair or as the law allows. Additionally, the shareholders would be protected under the Purchase Agreement being assembled by this Respondent. STT failed to respond as it has many times in the past.

This Respondent was also contacted on May 27, 2003 by Mr. David Albalah, Attorney with McDermott, Will and Emory law firm, New York, NY on behalf of IDT as their bankruptcy counsel, purportedly for the purpose of aligning with our group as a holder of information they need to outmaneuver Applicant STT. It is now abundantly

¹⁴ Singapore appoints former Global Crossing board member and ERISA fraud, class action securities fraud defendant Steven J. Green as the U.S. representative for Singapore.
<http://starbulletin.com/2002/08/31/business/bizbriefs.html>

¹⁵ See GlobalAxxess filing, May 26, 2003, page 34 of 69 regarding the extent of persons protected under exculpation, injunction and releases of the Confirmation Order.

clear that IDT was seeking information so they could try to outmaneuver both Applicant STT and this Respondent.

McDermott, Will & Emory does not represent matters for IDT before this Commission, and for that reason they are not included on the distribution list for this document. This Respondent has not received any notice from any party that should receive this on behalf of IDT.

The Respondent was also contacted on May 27, 2003 by a major non-U.S. telecom that expressed interest in either being a joint venture partner or a major new customer if we are successful in acquiring Global Crossing. That entity would present little or no problems regarding national security if we were to affiliate with them in any manner.

In light of the substantive and very real denial of due process, denial of legal rights and denial of equal protection under the law that have been inflicted upon the shareholders, and such being made known to this Commission and why the Debtor and certain creditors are working in collusion to achieve that end, this Respondent respectfully suggests to the Commission that “public policy” issues and “legal rights” issues are now before this Commission. This is a matter of right versus wrong.

This Respondent has shown this Commission the “who, how and why” the shareholders were deemed too risky to allow into the process and why out of greed and covering up their own misdeeds, certain parties have insisted that the shareholders had to go and no Official Equity Holders Committee be allowed.

In all due respect, the small shareholders cannot afford legal counsel and taking on what is being done to them and the parties who are doing it. That is a financial and legal cost burden that no one has the right to presume is solely the responsibility of small shareholders whose lives have been upended and financially devastated by the conduct of Debtor and some creditors. Had their appropriately been an Official Equity Holders Committee appointed, they would have such counsel and this scam would have been exposed long ago instead of expending over \$40 million of the Debtor estate monies in professional fees to cover it up.

No party should be allowed to come before this Commission with an application for consent to transfer control that proposes to continue the denial of due process and equal protection that the shareholders are entitled to under the laws of the United States. These shareholders have been harmed enough already and they do not deserve a final insult from the U.S. Bankruptcy Court or this Commission.

Many reports have been made about the rapid rise in bankruptcy cases in the United States and other non-U.S. jurisdictions. If someone were to perform a study into the reasons so many bankruptcy cases were filed, they would learn that what this Respondent has disclosed to this Commission on May 26, 2003 and in this document are the “end effect” of the financial damage and carnage that has been inflicted upon

investors. There are many WCG and GX investors that came to us that have had to file bankruptcy over the past 12 to 24 months for the exact reasons we have disclosed to this Commission. There are many hanging on for their financial life today, hoping thus far in vain that somebody, somewhere would stand up and do what is right. Do what is right as required by our laws.

If that is extinct, we are all in trouble.

This Respondent recognizes that CFIUS has yet to review this matter as a standalone STT proposal. Even though not on the service list, we have made certain that CFIUS has a copy of this document.

We have effective this date changed the company name to COMMAXXESS, Inc. and changed the domicile from Arkansas to another state.

Respectfully submitted,

Karl W. B. Schwarz
Chairman, Chief Executive
501-663-4959

Dated: May 30, 2003

CERTIFICATE OF SERVICE

I, Karl W. B. Schwarz, hereby certify that on this 30th day of May, 2003, I caused a true and correct copy of the foregoing Response to Applicants' Motion for Declaratory Ruling to be served on the following parties in the manner indicated:

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