

**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

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

COMMAXXESS, Inc is the successor corporation to GlobalAxxess, LLC. In the future all responses will be under the name of CommAxxess.

Readers of this document should start with Attachment 3 to have a better understanding of what follows.

The Respondent has shown this Commission matters that we believe should be of concern to the Commission and other federal regulators and law enforcement agencies.

In the heyday of Michael Milken, there was a vast transfer of wealth to a select few with very little regard to the financial hardships that were inflicted upon the stockholders and the employees of those targeted companies. We all became familiar with new terms like LBO, junk bonds of the Milken flavor instead of what had been

around for years as the Meshalum Riklis flavor; i.e. Steven J. Green, E-II Holdings, McCrory's, etc¹.

It should now be apparent to the Commission that the Global Crossing shareholders have been abused, not only within the markets and by Global Crossing but also within the U.S. Bankruptcy Court and how it was arrived at that no Official Equity Holders Committee would be allowed in that bankruptcy². There were many including the Debtor, its financial advisor and some of the Creditors that did not want the shareholders to see what was going on behind those closed doors. The shareholders' legal rights, Constitutional rights regarding property, due process and equal protection under the laws of the United States have been denied to give the deal doers the expediency they sought. The secrecy so no one would figure out what they had done.

It has taken a lot of effort to get at the information, analyze it and search to find the reasons for what has happened and what some parties are rushing to get done. This Respondent has shared much with the Commission on those matters and could provide much more.

It should be apparent to the Commission that Hutchison and ST Telemedia are insiders. Their process started on June 25, 2001 and August 23, 2001³. They were brought in as part of this desire to hide it, cover it up, get the bankruptcy done and all go home with the exculpation of the United States Bankruptcy Court. However, due to their being foreign corporations the required FCC process has slowed down the effort to get the deal put it to bed as fast as desired.

A careful analysis of the HW-STT deal shows that over \$300 million of funds (property of the estate) is being given to the Class C Lender creditors, \$200,000,000 million in high yield note [\$175,000,000 of the \$200,000,000 high-yield notes⁴] would be distributed to some of the Creditor Classes but not all classes, and two key assets would be leveraged for up to \$150,000,000 in working capital. Two other key assets [Frontier ILEC and IPC Information Systems] would be "lost in the process". The preferred and common shareholders are slated to get nothing.

The "High Yield Notes" are "non-cash consideration" and are a re-leveraging of the books placing an 11% burden on an already weak cash flow sheet. These Senior Notes are only being doled out to the creditors that appear to have either significant legal problems or questions about the validity of the debt being Global Crossing debt and not Frontier debt. Attachment 3 might help any reader to understand a bigger issue they are hiding.

¹ GlobalAxxess ECFS Response filed May 9, 2003, Attachment 1, E-II Holdings naming Leon D. Black, John Hannan, Carl Icahn, Francois Prinault, and William S. Lerach, etc.

² GlobalAxxess Response, May 26, 2003, page 13 of 69.

³ GlobalAxxess Response, May 26, 2003, page 3 of 69.

⁴ May 26, 2003 Attachment A, page A-1 Terms of Restructuring of the Hutchison – STT Purchase Agreement / Debtor's Disclosure Statement filed in the SDNY bankruptcy case.

The New Preferred Shares are “non-cash consideration”.

The New Common Shares are “non-cash consideration”.

The \$600,000,000 in Frontier ILEC debt still on the books and never challenged as to whether or not it was a legitimate claim against Global Crossing, or should be subordinated or disallowed as a claim or compelled upon Citizens Communications if that debt belongs on those books are issues that all are avoiding so the deal can be done quick.

IDT has made its desires known. If the history of that company in bankruptcy acquisitions are any example, the abuse and denial of the legal rights of the Global Crossing shareholders would still exist.

This Respondent believes that the best interests of the shareholders are in the U.S. Bankruptcy Court and the legal rights and entitlement that they have in that court as an “interested party” and have been wrongfully denied. In the United States of America, how can such a thing be true?

This Commission should have no problems in understanding now why the shareholders were denied an Official Equity Holders Committee by U.S. Trustee Carolyn S. Schwartz and Blackstone, and having the shareholders be involved in those “closed door” meetings and what was being covered up and by whom.

The “Liabilities Subject to Compromise”⁵ of \$7.835 billion is a contrived number by the same persons that do not wish for the shareholders to find out what has been done to them within Global Crossing both by the Debtor and some of its creditors, but most importantly by insiders⁶ who never call anything a conflict of interest.⁷

On Friday, May 30, 2003, Carl Icahn threw his hat in the ring. By the end of this ECFS filing, we trust that the Commission might better understand that the “role” of Icahn is to speed this up and get done what HW-STT could not get done. That urgency for **exculpation** is now consuming certain parties involved in the Global Crossing bankruptcy.

This ECFS document should also clearly demonstrate to the Commission that Blackstone parties and Icahn are not strangers and have done such “tag team” deals before.

When this Commission looks at all factors in the bigger context of Blackstone interests in Centennial / Citizens, PaeTec / CampusLinks, Citizens – Century - Adelpia voice and cable, Charter Communications - TCI – Bresnan – Blackstone, Callahan (Europe), Latin and South American private equity telecom investments by Blackstone,

⁵ GlobalAxxess Response dated May 26, 2003, page 9 of 12,

⁶ GlobalAxxess Response dated May 26, 2003, page 14

⁷ GlobalAxxess Response dated May 30, 2003, page 2 of 12, Norman Brownstein, TIAA

the word “antitrust”⁸ should come to mind. AIG and Blackstone are partners and AIG Orion and Winnick are investment partners in FoxCom Wireless. The overlaps and crossovers to define conflict of interests are almost unending.

*XO Communications, Inc. Offers to Acquire Global Crossing for \$700 Million*⁹

Friday , May 30, 2003 17:02 ET

RESTON, Va., May 30, 2003 /PRNewswire via COMTEX/ -- XO Communications, Inc. ("XO") today announced that it has made an offer to acquire all of the assets of Global Crossing LTD., and Global Crossing Holdings LTD, collectively ("Global Crossing") for consideration of over \$700 million, thereby increasing the proceeds available to Global Crossing creditors by over \$100 million versus the current bid by Singapore Technologies Telemedia PTE LTD. The offer was made directly to advisors for the Bondholders, Banks and the Company.

XO's offer is comprised of \$250 million of cash, \$200 million of new 11% secured notes secured by all of the assets of Global Crossing, \$200 million junior preferred stock in New Global Crossing, a 100% owned subsidiary of XO, and 15 million 5 year warrants to acquire stock in XO at \$10.00 per share.

"It is our intent to provide each of Global Crossing's Banks and Bond claim holders with the same amount of cash and new notes as in the current plan, and to increase the equity consideration received by each by over \$50 million," stated Carl C. Icahn, Chairman of the Board of XO. "In addition, our proposal can close without regulatory headaches or financing contingencies and provides tremendous synergies between the two organizations that can benefit both Global Crossing's creditors and XO shareholders."

SOURCE XO Communications, Inc.

CONTACT: Carl Icahn, +1-212-702-4333, for XO Communications, Inc.

The *modus operandi* of The Carl Icahn Company is to take no shareholders as survivors. That company has a long history of preferring to structure its deals with maximum penalty to the shareholders¹⁰ and relegation to “collectors item status” and maximum gain for Mr. Icahn¹¹.

⁸ Blackstone has been sued by the U.S. for violations of the Sherman Act relating to Loewen Group takeover. United States v. Blackstone Capital Partners II, Merchant Banking Fund LP and Howard A. Lipson, Civil Action No. 1:99CV00795. Quietly settled in March 1999 less than 6 months before Clinton and FRB governors appointed Blackstone Chairman Peter G. Peterson as chairman of the New York Fed. Res. Bank. “Prime” was the name used instead of Blackstone in the Loewen takeover deal.

⁹ <http://www.companyreporter.com/cn/cn.php?ID=71>; XO Communications, Inc. Offers to Acquire Global Crossing for \$700 Million

¹⁰ <http://www.scripophily.net/xocom.html>

Just to demonstrate for this Commission how some of these “financial wizards”¹² (and See Attachment 2 for the article where STT confirms June 3, 2003 Singapore time that it is a \$250,000,000 cash offer and non-cash consideration) use obfuscation and smoke and mirrors, this Respondent points out the following:

- \$250,000,000 in cash is offered by Hutchison – ST Telemedia. The \$200,000,000 high-yield Senior Notes are “non-cash consideration” with \$175,000,000 of those notes being distributed to some creditors that may not be a legitimate creditor in the bankruptcy case. It was not \$250,000,000 cash plus an additional \$200,000,000 for the purchase of the notes. In short, it was a \$250,000,000 offer bottom line, not a \$450,000,000 offer.
- In the Icahn press release May 30, 2003, purports that its offer is much higher but its is still \$250,000,000 cash and the balance is “non-cash consideration” including the \$200,000,000 in stock (purported valuation, not actual valuation), an XO wholly-owned subsidiary, and 15 million warrants. Those warrants may well be tied to “trading price” on certain dates and may never be exercisable or they may be structured as “*exploding warrants*” or a “*toxic convertible*”. See footnotes 2 and 3, page 4 on Respondent’s ECFS filing dated May 26, 2003.
- The \$200 million in Senior Notes being distributed in the manner STT and Icahn propose to do actually might actually give Class C, D, and E creditors an entitlement to which they are not entitled to under the Chapter 11 bankruptcy. By structuring the deal this way, it is highly probable that the Class C, D and E creditors and Icahn will demand that the U.S. Bankruptcy Court grant a Super

*Beautifully engraved certificate from **XO Communications**. This historic document was printed by the Security Columbian Banknote Company and has an ornate border around it with a vignette of the company's logo. This item has the printed signatures of the Company's President (Dan Akerson) and Secretary.*

The company's stock was around \$65 in March 2000 and now is hovering around \$0.07. They said they had sufficient cash to survive at least into mid 2003 without the need for further financing, yet the company recently sold out their shareholders with a financing that wiped out their shareholder equity. The trading of their shares were immediately halted on the NASDAQ and they have been delisted.

¹¹ <http://www.washingtonpost.com/ac2/wp-dyn?pagename=article&node=&contentId=A61191-2002Nov15¬Found=true>

XO Communications' Bankruptcy Plan Gets Go-Ahead, By Yuki Noguchi, *Washington Post Staff Writer* Saturday, November 16, 2002; Page E01

“The restructured XO will shed all but \$500 million of its original \$5.3 billion in debt through the bankruptcy reorganization process. Icahn, who purchased the bulk of XO's bank debt and a large chunk of its bonds, will own more than 80 percent of the firm”.

¹² <http://business-times.asia1.com.sg/sub/premiumstory/0,4574,83263,00.html>, **Business Times - 03 Jun 2003; Global Crossing can't accept Icahn offer Agreement with ST Telemedia takes precedence: source**; By AMIT ROY CHOUDHURY

Lien status to that \$200 million provided under 11 U.S.C. § 364(d) and (e) of the Bankruptcy Code. The Class C, D and E creditors are not now, nor are they entitled to Super Lien status. This type of deal structure is a means that may be intended to circumvent that. The effect of Super Lien in bankruptcy is that those parties have the Super Lien in any subsequent bankruptcy involving Global Crossing or Global Crossing assets as a successor Newco.

- The STT offer is \$250,000,000 cash and the New Senior Notes, New Preferred Stock and the New Common Stock are “non-cash consideration”.
- The Icahn offer is \$250,000,000 cash and the New Senior Notes, New Junior Preferred Stock and warrants are all “non-cash consideration”. The \$700,000,000 offer by Icahn is a “tout or purported” offer of \$700,000,000 and is only \$250,000,000 cash and a slight twist on the “notes and stock and warrant” play.

The Commission has already reviewed the change of control¹³ for XO / Icahn and granted such probably without ever reviewing if there was anything strange about the XO bankruptcy itself.

***A Few Bad Apples...Green Mail, Fraud, Insider Trading, Hostile Takeovers*¹⁴**

Economic expansion can also breed opportunistic behavior where individuals and corporations, for their own gain, abuse their power and exploit their constituencies.

For example, in 1967, when Carl Icahn began his own brokerage firm, he realized that in addition to obtaining control of public companies through his investments, he could also profit through "greenmail", or forcing worried corporate managers to buy back his stock positions at a premium to prevent Mr. Icahn from taking control of their companies. For the next 20 years Mr. Icahn carried out, what many considered to be an unscrupulous activity, of hostile takeovers, forced mergers and the dismemberment of such corporations as Tappan Company, Marshall Fields and TWA.

In the 1970's, there was a company called Equity Funding, which sold \$ 2 billion face value of fake insurance policies and then collected the proceeds on insured lives that they "killed off" through a computer software program. The CEO, Stanley Goldblum and three accountants went to jail for their activities.

During the 1980's Penn Square Bank, operating out of a converted shoe store in Oklahoma City, made and sold fraudulent oil and gas loans to financial institutions, which nearly bankrupted such venerable banks as Continental Illinois¹⁵ and Seafirst Bank as well as threatened the solvency of the entire U.S. banking system. William "Beep" Jennings, founder, and Bill "Monkeybrains" Patterson, the bank's lending officers were sent to jail for their abuses.

¹³ <http://www.fcc.gov/transaction/xocommunications.html>

¹⁴ <http://www.kitcole.com/q32002news.asp>

¹⁵ Andy Fastow, the now indicted Enron CFO was involved in the Penn Square fiasco on the Continental Illinois side.

The 1980's were also the heyday for Drexel Burnham and Mike Milken, whose issuance of billions of dollars in junk bonds that defaulted triggered the insolvency and closure of hundreds of savings and loans. Billions were lost in taxpayer dollars and private pension plan assets.

The 1980's spawned an environment of insider trading abuses as well, the most notorious of which was conducted by Ivan Boesky, an infamous arbitrager, who was fed inside information for years from his brokers, most notably Dennis Levine, from which he reaped hundreds of millions in profits.

Jennings, Patterson, Milliken and Boesky also ended up in jail for their deeds.

Period	Company	Scandalous Activity	Participant	Jail
1960-1980's	Various	Greenmail, Hostile Takeovers	Carl Icahn	No
1970's	Equity Funding	Sold Fake Insurance Policies	Stanley Goldblum 3 Auditors 60 Staff	Yes Yes No
1980's	Penn Square Bank	Fraudulent Oil & Gas Loans	Wm. "Beep" Jennings	Yes
		Bank Failures	Bill "Monkeybrains" Patterson	Yes
1980-1990	Drexel Burnham	Junk Bonds - S&L Failures	Michael Milken	Yes
		Insider Trading	Ivan Boesky	Yes
		Greenmail	Carl Icahn	
2001-2002	Apollo / Blackstone partners involved	RICO filed by California AG Bill Lockyer regarding Executive Life Insurance	Leon Black, John Hannan, F. H. Prinault See Attachment 1, May 9, 2003 ECFS filing with FCC, E-II Holdings (Steven J. Green) Leon Black / Icahn known connections.	?
2002-2003	Global Crossing	Securities Fraud, ERISA fraud, HW-STT bid blocked at FCC / CFIUS change of control, Icahn bid May 30, 2003	Winnick, Norman Brownstein, Steven J. Green, et al	?

The boom of the 1990's brought with it its own financial abuse. Accounting fraud, off balance sheet scams, CEO self-dealing and failure of ethics at major brokerage firms all of which have, once again, caused billions of dollars of losses for individual investors and their retirement plans.

...Enron, Halliburton, Global Crossing, Arthur Anderson...These are recent examples where management has crossed the line of acceptable business practices, bankrupting companies and causing untold financial harm to investors and employees alike. The stage is the same, only the participants have changed.

Accounting worries and corporate insider self-dealings during this weak economic cycle have sent most investors to the sidelines, if not to the

locker-room altogether. David M. Katz, CFO.com, December 31, 2002¹⁶

Meanwhile, Icahn's still got plenty of irons in the fire. The one-time owner of TransWorld Air (which went Chapter 11 during his watch), Icahn rarely borrows money to finance his plays these days. Reportedly, he makes his money now off businesses in decline, assuming the debt of distressed companies on the cheap¹⁷ -- particularly telecom companies¹⁸. He also apparently made a killing during the Internet frenzy by shorting new economy companies like AOL Time Warner and Priceline.com¹⁹.

See Icahn / Lowestfare.com below. Shorting a competitor?

Barbarians on the Net²⁰

By Mark Gimein

Issue Date: Jun 18 1999

Corporate raider Carl Icahn's Lowestfare.com is about to go public. Makes you wonder what the rest of the '80s junk-bond mafia is doing.

Carl Icahn

In the Ledger: *The archetypal corporate raider of the 1980s, Icahn's approach was to accumulate big stock holdings in struggling companies, and then threaten to break them apart and sell them for scrap. When it worked, management either bought out his stock or acceded to his wishes, which usually involved splitting up the company. Either way, Icahn made money.*

*The one big company that Icahn took over was **Trans World Airlines (TWA)**, which he headed from 1986 to 1993. With the airline locked in the throes of a Chapter 11 bankruptcy reorganization, Icahn left, and control of the airline went to its many creditors.*

On the Net: *Icahn left TWA with a unique right to buy \$610 million of tickets at 45 percent below their face value. The problem was how to*

¹⁶ <http://www.cfo.com/printarticle/0,5317,8457%7C,00.html>; **T. Boone and the Raiders: The barbarians may not be at the gate anymore, but some of them are still hanging out on the sidewalk.** David M. Katz, CFO.com, December 31, 2002

¹⁷ See Attachment 1 to this document. In one WSJ article are Black, Icahn, Green, Riklis and Hillel Weinberger, holder of over 2 million shares at time of the 1999 Global Crossing / Frontier deal and over 36 million shares as Continental Casualty. Also mentioned is Executive Life Insurance of California, subject of current RICO action against Black and others.

¹⁸ GlobalAxxess Response, May 26, 2003, page 4, footnotes 2 and 3.

¹⁹ <http://www.departments.bucknell.edu/management/apfa/papers/26Mayall.pdf>

²⁰ <http://www.thestandard.com/article/0,1902,5218,00.html>

sell those tickets. And there, in a nutshell, is the story of Lowestfare.com, an Icahn-owned company about to go public.

Lowestfare.com is one of the strangest dot-com's around. The company, which has been in business since 1996, sells tickets via travel agencies, a toll-free reservation line and the Internet - though in the first quarter, Net bookings accounted for only 18.5 percent of sales. Lowestfare's tickets come mostly from TWA - the carrier accounts for more than 95 percent of the company's revenues. In fact, Lowestfare.com is so dependent on TWA that the company's prospectus reproduces TWA's financial statements for investors to peruse. Meanwhile, TWA is so thrilled about Lowestfare.com that, since 1996, it has been suing Icahn and Lowestfare.com to get out of its deal.

Deep in the Money: *Lowestfare.com has one thing going for it: If it runs into trouble, management won't ever face Carl Icahn threatening to bail it out.*

Michael Milken

In the Ledger: *Yes, everyone knows of Michael Milken, the best-known white-collar felon of the past 20 years. To recap: Milken was the Drexel investment banker who realized that companies barely treading the water of creditworthiness could fund risky ventures with "high yield" bonds. Milken and cohort Ivan Boesky collaborated to evade disclosure laws and trade on insider information. For this, they both went to jail.*

On the Net: *Michael Milken, brother Lowell Milken, and Oracle (ORCL) CEO Larry Ellison have banded together to start **Knowledge Universe** (dossier), a kind of full-service developer of high-tech education ideas. Those range from Pyramid, a consulting group specializing in corporate-knowledge management, to Knowledge Beginnings, an operator of preschools.*

Deep in the Money: *Knowledge Universe might be, as its founders claim, a radical idea in education, but its M.O. is very Milken: **Buy everything in sight. If you can bury your holdings in a nesting-doll arrangement of corporate shells, all the better.** [emphasis added and highlighted again below at MCI WorldCom, page 13 of this document.]*

Global Crossing has 214 subsidiaries and only 80 of them are involved in the Chapter 11 bankruptcy and STT disclosed another 23 names not involved in the bankruptcy case in a recent filing before this Commission on May 22, 2003²¹. Most of those subsidiaries may be hiding assets in a labyrinth of corporate shells in just such a "nesting-doll" arrangement.

²¹ See STT Application for Consent for Transfer of Control, Third Application, May 22, 2003.

Since the Milken case was settled with the likes of Leon Black, Gary Winnick, Jeffrey Chanin, et al paying \$1.3 billion in fines, the public never learned why so many Winnick controlled "Pacific"²² groups were named in that lawsuit.

The following is taken from a single source²³ that has compiled information going back to those heady days of Milkenism and a generalized discussion of who some of the players were and what type of lasting effect the rest of us have had to endure. Much of this originates from Connie Bruck, author of *The Predator's Ball*.

Another Jewish financier, Carl Icahn "rose from obscurity to become one of the most feared corporate raiders in the country, Chairman of TWA, the largest shareholder in Texaco and USX (formerly US Steel) and a billionaire ... [EHRlich, p. 15] ... [Icahn was] perhaps the most successful financial predator of them all." [EHRlich, p. 290] **Icahn is particularly notable for his repeatedly ruthless campaigns to take over unwilling companies, loot them for obscene profits, and -- successfully taking them over or not -- spitting them out again, leaving a wake of relative ruin.** In 1982, for instance, Icahn warred with the whole community of Danville, Virginia, in his hostile bid to takeover a corporation called Dan River. Townspeople unified to resist him, investing retirement money and other savings into company stock. The company finally resisted the financial predator with a leveraged buyout; Icahn, however, managed to strip the town's economic lifeblood of \$8.5 million." In another much publicized financial effort, during early attempts [eventually successful] to take over TWA Airlines the company president, then C. E. Meyer, Jr., called Icahn "one of the greediest men on earth." [BRUCK, p. 171] By 1998 he was attempting to take over Pan Am airlines.

In an attempt to ward off Icahn's efforts to take over the **Phillip's Petroleum Company**, it had to go \$4.5 billion deeper in debt, as well as cut hundreds of millions of dollars of capital expenses, sell off \$2 billion in assets, limit investor dividends, and tighten budgets. 5,000 fewer employees were working for Phillips by the time Icahn was through. [BRUCK, p. 191] Icahn walked away from Phillips unsuccessful after a 10-week struggle to seize the company, but \$52.5 million richer. "The business establishment took notice [of Icahn's recurrently nasty dealings]," notes Connie Bruck, "One close associate of Icahn recalled that Laurence Tisch [the Jewish] chairman of **Loews**²⁴ and now of **CBS**, Inc., said to him, 'Tell Carl to cut this out. It's not good for the Jews.'" [BRUCK, p. 160]

²² See GlobalAxxess Response dated May 30, 2003, page 7.

²³ <http://www.holywar.org/jewishtr/22wallst.htm>; additional companies targeted by Icahn include Morton's Steakhouse, Dan River, Tappan, Vector Group (cigarettes), Phillip's Petroleum, XO Communications, etc. See footnote below.

²⁴ http://www.industry pages.com/artman/publish/Industry_News_1981.stm, Loews Corporation Nov 19, 2002, 9:40am FOR IMMEDIATE RELEASE

LOEWS CORPORATION ANNOUNCES PLAN TO PURCHASE \$750 MILLION OF A NEW ISSUE OF PREFERRED STOCK FROM ITS CNA FINANCIAL SUBSIDIARY

NEW YORK, November 19, 2002 – Loews Corporation (NYSE:LTR) reported today that its Board of

There are some interesting similarities to the above and why The Williams Companies has been liquidating key assets over the past year while Williams Communications Group was in bankruptcy before the SDNY bankruptcy court.

Note that Continental Casualty Corporation mentioned on Attachment 1 is now CNA Financial and 90% owned by Loews.

In 1995, Wall Street financier Michael Steinhardt (wizard of the moneymaking device, the "hedge fund") closed his company, **Steinhardt Partners**, to concentrate more deeply upon spreading the message of Jewish and Israeli identity so dear to him. With a personal fortune of \$400 million, he joined as a member of a consortium that bought Israel's **Bank Hapoalim** and the **Maritime Bank**. One of his brainchildren, called "Birthright," was by 1998 still in its developmental stages; it is a plan to bring all young American Jews for trips to Israel, to renew their roots to Jewish and Zionist identities. "As part of the birthright of every Jew on this planet, we want to offer free trips to Israel in their formative years," says Steinhardt. [RABINOVICH, p. 20] A building in Manhattan for renewal of Jewish identity was purchased, and there has been sponsorship of the Jewish Campus Service Corps to pull young Jews to Jewish programs at national campus Hillel centers.

By late 1999, "Birthright" was in progress, at a cost of \$210 million. "Funded by the Israeli government, in partnership with Jewish philanthropists and communities abroad," Not all Jews are happy with the program. The chairman of the World Jewish Congress, for example, Isi Leibler, thought there were many more worthy applications of the funds. Many Jews getting in on the program too, he noted, were already "from affluent homes." [GREENBERG, J., 2000, p. A1]

"It is hard to grasp the magnitude and the scope of the crime that unfolded beginning in the mid-1970s," wrote a Wall Street Journal editor Dennis Stewart, "in the nation's market and financial institutions. It dwarfs any comparable financial crime, from the Great Train Robbery to the stock-manipulation schemes that gave rise to the nation's securities laws in the first place. The magnitude of the illegal gains was so large as to be incomprehensible to most laymen." [STEWART, p. 115] "[Michael] Milken [and] some of his Drexel colleagues and anointed players," says Connie Bruck, "had made more money in a shorter period of time than any other individuals had done in the history of this country." [BRUCK, p. 20]²⁵

"During the crime wave," says Stewart, "the ownership of entire corporations changed hands, often forcibly, at a clip never before witnessed. Household names -- Carnation, Beatrice, General Foods, Diamond Shamrock -- vanished in

Directors has authorized the proposed purchase of \$750 million of a new class of cumulative preferred stock to be issued by CNA Financial Corporation, a 90% owned subsidiary of the Company.

²⁵ See GlobalAxxess Response, May 26, 2003, page 4, footnotes 2 and 3. By age 32, Mark Valentine had two homes in Canada, a home in Florida where he is now held on house arrest, his own Falcon jet, and millions piled up in the bank and investment accounts.

takeovers that spawned criminal activity and violations of securities laws. Others, companies like Unocal and Union Carbide, survived but were heavily crippled. Thousands of workers lost their jobs, companies loaded up with debt to pay for the deals, profits were sacrificed to pay interest costs on the borrowings, and even so, many companies were eventually forced into bankruptcy or restructurings. Bondholders and shareholders lost millions more. Greed alone cannot account for such a toll. These are the costs of greed coupled with market power -- power unrestrained by the normal checks and balances of the free market place." [STEWART, p. 16]

The biggest fish caught in the Wall Street scandal, however, was super billionaire Michael Milken, the "junk bond king," who was **charged with racketeering and mail and securities fraud**. Milken single-handedly threatened to fulfill in real life the most profound of traditional anti-Semitic nightmare fantasies. A former Milken associate, **notes Jewish journalist Connie Bruck**, saw in Milken "the force of ... obsession, the megalomania, the conviction of a cause so just that the end justifies the means and, finally, the conceptualization of the corporate vehicle as a means of extending control nationwide -- and then worldwide." [BRUCK, p. 358]

The goal of Milken and his predatory cronies, says Leon Black of Drexel Lambert (the company that was ostensibly Milken's employer) was to finance "the robber barons who would become the owners of major companies in the future." [BRUCK, p. 149]

Another key Milken crony was Fred Carr (born Seymour Fred Cohen), head of the Beverly Hills-based **First Executive Corporation**, described by Benjamin Stein as "the largest insurance catastrophe in the history of the United States." [STEIN, B., p. 86]

The First Executive Corporation was the holding company of Executive Life Insurance Company²⁶. Included in the "10 others" cited in footnote 26 are Leon Black and John Hannan of Blackstone.²⁷ One would have to read the **Tolling Agreement**²⁸ that certain parties induced the State Insurance Commissioner of California to sign to believe to what extent certain defendants attempted to limit the "scope" of what they

²⁶ <http://caag.state.ca.us/newsalerts/2001/01-064.htm>, **Attorney General Lockyer Sues Companies, Individuals and Bank Once Owned by French Government for Conspiring to Raid Executive Life**

June 20, 2001, 01-064, FOR IMMEDIATE RELEASE

(SAN FRANCISCO) – *Attorney General Bill Lockyer today announced the filing of a lawsuit against an international bank once owned by the French government, a group of companies and individuals who allegedly conspired to cheat policyholders of Executive Life Insurance Company out of billions of dollars.*

*The lawsuit seeks payment of not less than \$2 billion from Altus Finance, Credit Lyonnais, MAAF Assurances, **Francois Pinault** and 10 others named in the state complaint.* For copy of the filed complaint: <http://caag.state.ca.us/newsalerts/2001/01-064.pdf>

²⁷ See GlobalAxxess Response filed May 9, 2003, page 29, Attachment 1, E-II Holdings, Leon D. Black, John Hannan, Carl Icahn, H. Francois Pinault, and William S. Lerach.

²⁸ http://www.motherjones.com/web_exclusives/features/news/insurance.html

would be sued for and the period of time. The Tolling Agreement attempts to eliminate the “time period” during which the most serious RICO offenses occurred.²⁹

Although Milken eventually agreed to accept a six felonies conviction and pay \$600 million (a sum larger than the yearly budget of the Securities Commission that sought to prosecute him) [p. 16], the prosecution of fabulously wealthy Milken was no easy matter. There was, for all intents and purposes, no money limit to his personal defense. He and his firm, Drexel, planned to spend up to \$650 million to fight his conviction. [STEWART, p. 347] This included a massive \$140 million public relations campaign to change his public image from criminal to hero, an effort "revolving around the theme that [he and his company] help[ed] to raise money [that] benefited every American." [STEWART, p. 346] The public relations firm Milken hired referred to him as a "national treasure." [STEWART, p. 377] In an effort to control public discourse about himself, Milken even bought the rights to photographs of him at all the news wire companies. [STEWART, p. 372] **In February 1986 he even offered to pay journalist Connie Bruck to not finish, and publish, a book she was working on about him and his associates.** [STEWART, p. 381] Expecting a significant Black presence in the New York City jury that would try him, Milken hired an expert on public relations in the Black community; the wealthy financier suddenly had an interest in the underprivileged and paid for 1,700 ghetto kids to go to a Mets baseball game. [STEWART, p. 400] Milken clients and sycophants even took out full page ads in major papers, including the New York Times, proclaiming, "We Believe in You." [STEWART, p. 418]

Milken ended up spending only a little over two years in prison, a small sacrifice for the staggering amount of wealth he accumulated. He was sentenced, notes Jewish scholar Norman Cantor, "by a Gentile woman judge who was married to a prominent Jewish lawyer. Eventually she found grounds for sharply reducing his sentence ... The skill of some Jewish billionaires in skirting the limits of the law but somehow emerging unscathed, with the aid of high-priced Jewish attorneys, and a compliant press, was remarkable." [CANTOR, p. 404] Milken court fines alone eventually amounted to \$1.1 *billion*. Still on probation, in November 1997 the New York Times noted that "evidence of further illegal behavior since his release might well cause the government to request further sanctions against Mr. Milken, including even his return to prison." [TRUELL, D4] Since prison, Milken has been busy collecting tens of millions of dollars, "counseling"³⁰ the **MCI Communications Corporation**,³¹ advising principal players in the Time-Warner-Turner Broadcasting mass media merger,

²⁹ http://www.motherjones.com/web_exclusives/features/news/updates_0102.html#insurance

³⁰ http://money.cnn.com/2002/07/19/news/worldcom_bankruptcy/; **WorldCom files largest bankruptcy ever, Nation's No. 2 long-distance company in Chapter 11 -- largest with \$107 billion in assets**; July 22, 2002: 10:35 AM EDT, *By Luisa Beltran, CNN/Money staff writer*

³¹ http://www.telecomtv.com/newComms.php?cd_id=2105 ; **So, farewell then WorldCom - missing you already!**, 11/04/03 11:12 - **by Martyn Warwick**

Next week, WorldCom, a name that will forever be synonymous with scandal, fraud and corporate malfeasance on an epic scale, will cease to exist. The new senior management team of the Clinton,

Note on page 7 that Icahn reportedly made a lot of money shorting AOL / Time Warner stock.

This Respondent is reserving most comments on the MCI WorldCom bankruptcy other than to note that GlobalAxxess was the only global VAR of UUNet, now owned by MCI WorldCom, and got a interesting look at the inside workings of that company. This Commission would be amazed at the similarities we see between MCI and Global Crossing, both now being calamitous Chapter 11 bankruptcy cases before the SDNY Bankruptcy Courts.

It should not go unnoticed by the Commission the number of former MCI executives that left, set up CLEC or other forms of service providers following deregulation and many of those firms have now collapsed and in hindsight were colossal failures, business plans that seemed to lack direction or relevance, and all of us all keep hearing about one accounting fraud or class action securities fraud lawsuit after another. What is for certain, those communications providers went through a great deal of high-yield bond money, their shareholder's capital contributions and blew it out in bankruptcy.

We can all imagine what Michael Milken and Bernie Ebbers might have been discussing, but suffice to say that the failure of Global Crossing and WorldCom in such short order and "close proximity in time" to each other should not be a point missed by this Commission or any other federal agency. Maybe they were discussing who had the "best nesting-doll collection".

When business journalist Connie Bruck published The Predator's Ball, a volume about Milken and the junk bond world, a Drexel lawyer (where Milken worked) accused her of anti-Semitism. "I remember a lawyer at Chas Gordeon and Reindel screaming at me and accusing me of anti-Semitism," said Bruck later, "And I'm Jewish, so that made it more unpleasant. It all comes from Milken. Milken told friends of his, who repeated it to me, that he believed the government's investigation was fueled by anti-Semitism." [HOYT]

Only a few years earlier, in the 1980s too, was the case of yet another prominent Jewish American entrepreneur, Marc Rich (father's name originally Reich). "In the shadowy, secret world of commodities trading," noted John Ingham and Lynne Feldman, "Marc Rich had no peer ... Appellations for Marc Rich have included 'ruthless tycoon,' 'vengeful businessman,' and 'scheming marketeer.' Often called the most corrupt man in this fraternity of free booting capitalists, Rich was also among the most secretive." [INGHAM/FELDMAN, p. 550] Rich even managed to profit off millions of barrels of oil from Iran during the Iranian hostage crisis. In 1983, he and associate, Pinky Green, fled to Switzerland to avoid a warrant out for their arrest. (Rich has deep ties to Israel and has been involved over the years in "negotiating the return of captured Israeli soldiers and Jewish dissidents. In a controversial move, President Bill Clinton pardoned

Mississippi-based bankrupt telco have decided to consign that tainted title to the dustbin of history. From now on WorldCom is to revert to the name of its better-known long-distance subsidiary, MCI.

Rich's crimes as he left the White House in 2001. "Several Israeli officials wrote Clinton in support of [Rich's] pardon.") [MSNBC, 2-2-2001]

The following information was provided to this Respondent from Gary Winnick's "Western White House" as he liked to call it during our assemblage of facts regarding Global Crossing, its operations and management, and how all of this fits together. It is an extremely complex puzzle that has every appearance of being a world-class nesting-doll collection.

<http://www.birtrightisrael.com/bin/en.jsp?enPage=HomePage>

<http://www.birtrightisrael.org/bin/en.jsp?enPage=BlankPage&enDisplay=view&enDispWhat=Zone&enDispWho=Faqs&enZone=Faqs&channel=AboutUs#1>

Q. Who is behind the birtright israel gift?

A. **Birtright Israel** is a unique partnership between the people of Israel through their government, local Jewish communities (United Jewish Communities, Keren Hayesod, and The Jewish Agency for Israel), and the following Jewish philanthropic partners: S. Daniel Abraham, The Abramson Family Foundation, Andrea and Charles Bronfman, Edgar Bronfman Sr., Richard and Rhoda Goldman Foundation, Hadassah - The Women's Zionist Organization of America, Ronald S. Lauder, The Samberg Family Foundation, Charles and Lynn Schusterman Family Foundation, Judy and Michael Steinhardt, The Wasserman Foundation, Leslie and Abigail Wexner and The Wexner Foundation, **Karen and Gary Winnick in North America; Marc Rich in Europe**. Special contributions have also been made by The AVI CHAI Foundation, Sandy Baklor and Arlene Kaufman, Len and Alex Blavatnik, The Goldring Family Foundation, The Harold Grinspoon Foundation, Robert and Arlene Kogod, Lev Leviev, The Righteous Persons Foundation and The Woldenberg Foundation.

First, this Respondent personally has many dear friends that are of the Jewish faith or were raised in the Jewish faith and have converted to Christianity as a matter of personal conscience. Several of them were involved in some high profile ministries such as *Dad*, *The Family Shepard* and the *Family Life Conference*. The point this Respondent is making is this: when these friends conducted themselves improperly and someone pointed out their misconduct or pointed a finger at them, they "atoned" and remedied their misconduct. All of us are human, but far too many of us will not accept responsibility for their actions.

These friends did not shout out claims of "anti-Semitism" to detract from the simple fact that their conduct was wrong, and in some instances was inexcusably wrong. What this Respondent has yet to see from many that hide behind their lawyers and claims

of “anti-Semitism” towards anyone who questions their misconduct are either atonement for the conduct or restitution to their victims.

Regardless of a person’s religion, nationality, race, or ethnicity, a thief is a thief; a liar is a liar; a crooked person is a crooked person; a crooked company is a crooked company. If they are none of the foregoing, in beliefs accept them as an equal.

Second, we actually support any Jewish or Christian person making such a trip as offered by Birthright Israel, and having a better understanding of the fundamental principles that both religions are based upon. What we cannot support is such magnanimity when the source of the funds may be ill-gotten gain and someone’s life has been left in ruins so someone else could look good as a philanthropist. There are a lot of questions to be answered and Global Crossing is not a wealth of answers to legitimate questions.

One of our top 6 executives (Executive Vice Present level) is an Arab, born and raised in Amman, Jordan and the former head of SAP Saudi Arabia representing the giant German software company.

We happen to see significant opportunities when one does the demographics to know in fact that there are more Hindu, Telugu, Gujarat, and Islamic people in the world than there are Chinese and generally a higher income and standard of living just in sheer numbers of potential customers. However, we have many major U.S. companies and people who have no hesitancy in rushing to ingratiate their self-interests with mainland China.

As a matter of historical and racial fact, some of the Arabs are Semites too so people of the Jewish faith cannot legitimately lay claim to the sole and exclusive use of the word Semite, or the use of the term “anti-Semitic” to describe any given persons actions or statements. In short, if one is truly Anti-Semitic they are in fact so against both Semite Arabs and Semite Jews in the literal sense.

This Respondent is a devout Christian. I believe that no one is above the law and it is becoming more alarming every day that some are above the law in this country and not being held accountable for their conduct. This Respondent has nothing to do with what the race, ethnicity or religion choices are of those that have every appearance of thinking they are above the law and think they can do anything they want to any person with impunity. From what we have seen, people of many different faiths are not operating within the teachings of the religion they profess.

A conflict of interests is a conflict of interests. This Respondent does not try to explain it away or modify it to fit the circumstance and neither should anyone else. Wrong conduct is wrong conduct and no “distracting claims” of “anti-Semitism” will change that. Right is right and wrong is wrong now and forever more.

One of the closest friends and advisors of this Respondent has been saying for ten years that much of what is wrong with our capital markets is because we have “financial terrorist” running loose in our midst. This Respondent can honestly say that ten years ago that observation was rejected, however, today based on what is known it seems that it may be all too true.

In June of 2003, Mr. Leon Black (Apollo, Blackstone) and Carl Icahn are co-chairs for an upcoming event in New York City according to New York Social Diary³².

Distressed corporate debt is an easily manufactured product³³ if one knows how to do it. It is the “inverse” of the Milken junk bond approach. Collaborative schemes of shorting companies or naked shorting companies³⁴ has become common practice and can be done in ways that are difficult or impossible for the SEC to track or enforce. It is also possible to do registered stock and bond transactions and then not report how that transaction is changed to facilitate offshore placement, placement as a “secondary market instrument” or that offshore placement was the intended purpose any way, or to frustrate jurisdiction, venue, regulations, etc. Virtually every form of “convertible”, whether preferred stock, notes, bonds, CDO and CLO structures are what are being used through the offshore hedge funds.

All of these links and information are to show this Commission that these parties do in fact know each other. They collaborate on deals of many different types³⁵ and in many different market sectors, always out to plunder as much as they can for themselves

³² <http://www.newyorksocialdiary.com/NYSDcalendar/NYSDcalendar5.03.html>

The Partnership for Public Service Inaugural Gala. Samuel J. Heykman, dinner chair; Co-chairs: Larry Gagosian, Carl Icahn, Leon Black, Sheldon Solow, John A. Whitehead, Steve Roth, Aaron Sorkin and cast members of The West Wing and Paul A. Volcker. Emcee: George Stephanopolos. The Partnership For Public Service is a nonpartisan, nonprofit organization dedicated to recruiting and retaining excellence in the federal service. Reception 7 PM; Dinner 8 PM Cipriani 42nd Street.

³³ <http://instruction.bus.wisc.edu/mcarpenter/readings/Case%20Updates/buyoutkings.htm>

Of course, a few key '80s players never went away. Bottom fisher Sanford Weill, for one, amassed an impressive array of financial companies on the cheap while others were getting tech-obsessed. He is now the head of Citigroup, one of the world's largest banks. Icahn, the '80s raider who shook Texaco and took TWA, has asserted influence in small doses throughout the '90s by buying large amounts of distressed corporate debt, as has former Milken colleague Leon Black at Apollo Advisors.

³⁴ See GlobalAxxess Response dated May 26, 2003, page 4, footnotes 2 and 3.

³⁵ http://www.hcn.org/servlets/hcn.Article?article_id=4646

Vail attracts money and power

Television producers haven't gotten around to it, but Vail would be as rich a source of material for a soap as the Texas oil scene was for the show, Dallas. Vail could star former Vail Resort owner George Gillett, who declared bankruptcy but who was kept on the ski area's payroll at \$1.5 million a year. When Vail went public last year and its stock began trading on Wall Street, Gillett walked away with \$32.1 million to start his own skiing empire elsewhere. Also starring in the drama could be **Wall Street players Leon Black and Carl Icahn, who between them made off with another \$124 million.**

and not being concerned for a second for the many lives that are being negatively impacted by their actions.

This Respondent is presuming that the Commission and staff do not get invited to the “Power Weekends”³⁶ at Vail or Beaver Creek, Colorado³⁷. None of our executives get such invitations either, but we have had eyes and ears there for a long time once we figured out that we needed to be looking for predatory sharks in the Rocky Mountains.

This Commission can be assured of one thing; the urgency to get the Global Crossing bankruptcy done and get the exculpation, injunction and release under the Confirmation Order or a Final Approval Order has now reached a maximum peak level.

It is the considered opinion of this Respondent that Icahn is an “invited party” to the Global Crossing party and that Carl Icahn and Blackstone Group have every intention of seeing if the process can be speeded up and block out all other suitors and “due diligence”. Blackstone and some others have a lot riding on that.

The Debtor, Blackstone, Citizens Communications, Creditor Classes C, D and E and Goldman Sachs have much riding on getting that “exculpation” at the earliest possible moment.

We respectfully request that the FCC, SEC, DOJ make sure they do not get what they covet. Based on their conduct, they do not deserve it and the shareholders deserve justice and what they are rightfully entitled to under the law.

³⁶ <http://homes.wsj.com/buysell/salestrends/20030117-reed.html>, Troubled Execs See Home Values Soar, By DANIELLE REED, Staff Reporter of The Wall Street Journal

John Rigas, *Former Chief Executive, Adelphia Communications*, places on Hilton Head (it owns several) and in Beaver Creek, Colo.

Dennis Kozlowski, *Ex-CEO, Tyco International*, \$16.8 million Manhattan co-op; homes in Nantucket, Boca Raton, Fla., and Beaver Creek, Colo. “*And then there's former Tyco CEO Dennis Kozlowski, who may have lost his \$16.8 million Manhattan co-op, but can still relax at his \$5.7 million Nantucket estate -- or at homes in Boca Raton, Fla., and Beaver Creek, Colo. [Respondent note: While under investigation, Kozlowski was staying in Beaver Creek, CO.]*”

Leon Black and other “mountain resorts” where one would not think to look to find sharks.

³⁷ <http://www.vailtrail.com/newsdetail.cfm?NewsID=603>

The company acknowledged in the annual report that lower profits from its accounting change contributed to its concern that it might not meet bank covenants. **(Respondent comment: Could this be another bankruptcy rip off in the making? Another group of shareholders and debt holders about to get the bad news?)**

Vail Resorts recently said its fourth-quarter loss widened to \$35.1 million. It also slashed 100 jobs as part of a plan to save \$10 million a year. The company owns Vail, Beaver Creek, Breckenridge and Keystone ski areas in Colorado and Heavenly Ski Resort on the California-Nevada border.

In the Respondent's filing of May 9, 2003, we disclosed to this Commission E-II Holdings³⁸, of its tie to Steven J. Green and its mailing address being the Green residence on Fishers Island, FL, and that the names of Black, Hannan, Icahn, Pinault, Lerach and some others are in fact on that list. In this Supplemental Response we have disclosed that Black, Hannan and Pinault are RICO defendants in an action filed by the AG of the State of California over Executive Life, a Milken deal. See Attachment 1, WSJ article regarding E-II Holdings.

This Respondent has shown you many conflicts of interest and who is working behind the scenes to get Global Crossing put to bed before serious lawsuits are filed and legal repercussions ensue.

This Respondent is going to attempt to interject some clarity into the Global Crossing process and defend the shareholders and produce a better end offer to the creditors. There are multiple parties that do not wish to let us in the door because we would hold certain parties accountable and deal with them accordingly under the bankruptcy code provisions.

³⁸ GlobalAxxess Response dated May 9, 2003, Attachment 1.

THE COMMAXXESS, INC. OFFER TO ACQUIRE
ALL GLOBAL CROSSING ASSETS

This Respondent will be making a press release within hours after posting this on the ECFS (Tuesday June 3, 2003) regarding its offer and what that would entail for the legitimate creditors of Global Crossing and it would create a 10% stock position in the Newco for the existing preferred and common shareholders of Global Crossing that are not already “creditors of the estate” and being addressed under the bankruptcy case already. This 10% interest in Newco is for the existing shareholders defined under Classes I, J and K of the Debtor’s Disclosure Statement, the Ad Hoc persons who have legitimate claims against the debtor under ERISA fraud and 401(k) impairment, and those parties having ERISA fraud claims resulting from other causes.

The HW-STT proposal since January 28, 2002, the now standalone STT proposal, and most assuredly the Icahn proposal will all entail that the shareholders get nothing.

The proposed “Purchaser” would be COMMAXXESS, Inc., (“CMAXX in the Asset Purchase Agreement”) now the parent of GlobalAxxess, which will be dissolved over time.

The Financing Arm would be COMMAXXESS Acquisitions, Inc., (“CAINC” in the Asset Purchase Agreement”) and be established and set up to operate as a “bankruptcy remote” to protect the Purchaser’s Lenders. The board of directors of this entity will include CMAXX management, a creditors representative, a shareholders representative, a representative of the Lender(s), and will function as a bankruptcy remote in requiring unanimous vote to put either the Newco or any of the subsidiaries into bankruptcy, receivership or insolvency proceedings.

The Debtor payment of \$305,000,000 plus interest to only the Class C creditors would be amended under any Asset Purchase Agreement or Chapter 11 plan put forth by the Purchaser. **The Cash Payment to the creditor classes C, D, E, F and G would be amended to be a payment of \$415,730,000** (\$250,000,000 plus \$165,730,000 of the \$305,000,000 held by Creditor Class C) with the possible exception of challenging the \$600,000,000 Frontier debt as not being a legitimate creditor of Global Crossing. These funds would be distributed on the basis defined in the Asset Purchase Agreement this Respondent has prepared.

These funds would be disbursed much more equitably than under the “expediency formula” that the Creditors Committee has arrived at so the bankruptcy case could be put to be quick. This would produce much more equitable treatment of the Class F and G creditors and legally appropriate treatment of the Class C, D and E creditors. The Purchase Agreement will not offer what are tantamount to bribes to the Class C, D and E creditors in exchange for their “quick approval” so the exculpation matter can be achieved.

Both STT and Icahn propose a \$250,000,000 cash payment and the rest in “non-cash consideration”. Our offer will be for \$250,000,000 cash now, a completely different approach to resolving the bankruptcy and over the next five (5) years up to 2 to 4 times in cash than is offered by either STT or Icahn.

There would be an immediate examination as to the validity of the Class D or E claims that are the \$600,000,000 million of Frontier debt left on the books of GCL

The GCUK and GSM subsidiaries will not be pledged as collateral for an additional \$150,000,000 in working capital unless absolutely necessary.

There would be no “de-leveraging of the balance sheet” in this bankruptcy just so 11% Senior Notes can be doled out to only the “select few creditors” that appear to have some serious legal liabilities of their own. The Respondents’ Lenders would be making a “market rate loan”, protected under 11 U.S.C. § 364(d) and (e) with Super Lien status. The Lenders would have 8% of the Newco stock in exchange for them making a market rate loan instead of a much higher interest rate that would “re-leverage the balance sheet” after so much financial harm has been inflicted on most of the Global Crossing Creditors.

All Intercompany Claims (Class H) would be abolished.

The Preferred Shareholders (Class I and J in the Debtor’s Disclosure Statement) would participate in the 10% of Newco allocated to all shareholders that are not otherwise being remedied under the Plan or the Purchase Agreement as Creditors. There is “no double dipping” allowed by any creditor as both creditor and as shareholder.

The Common Shareholders (Class K in the Debtor’s Disclosure Statement) would participate in the 10% of Newco allocated to all shareholders that are not otherwise being remedied under the Plan or the Purchase Agreement as Creditors. There is “no double dipping” allowed by any creditor as both creditor and as shareholder.

The conversion of “claims for equity” for the creditors would result in 30% ownership of the Newco for Classes C, D, E, and F as defined in the Debtor’s Disclosure Statement with the only possible exception being the \$600,000,000 in Frontier Debt that may or may not be challenged as a legitimate debt of Global Crossing.

The Class G Convenience Claims would be treated as indicated in the Debtor’s Plan but would receive significantly more cash to settle their claims under this Respondent’s Plan or under an Asset Purchase Agreement.

The Purchaser (Respondent) would establish a Creditor’s Trust that will allow the creditor classes to participate in the ongoing cash flows of the company in “current cash terms”, not based on high yield debt senior notes that can be manipulated or in warrants that can also be manipulated by a purchaser such as IDT or Icahn Company. That ongoing participation through the Creditor Trust would be a **minimum of \$80,000,000**

per year for 5 years, or an additional \$400,000,000 cash as the minimum payment to creditors over and above the \$250,000,000 infused by COMMAXXESS.

When all consideration and participation is weighed under our proposal, the Respondent believes that all Classes of creditors will recover 3 to 4 times “in cash” more than proposed by STT or Icahn and reasonably “to be proposed” by IDT based on their track record in such matters.

There will be no dilution of the new equity but more importantly, there will be no opportunity for any party to short, naked short, or attack the newco in a takeover attempt and thus ruin the valuations this Respondent intends to rebuild.

All GX shares would be abolished and the Newco shares would not be publicly traded for at least 12-24 months while internal reorganization is implemented by the Purchaser. We intend to explore an IPO when the markets have recovered and telecom in general and when the Newco is solidly in the black and profitable. Not EBITDA profitable; bottom line profitable. That would be a novelty on Wall Street; an IPO that was not fluff. An IPO based on bottom line profitability and not playing valuation games based on EBITDA or devising “ladder up schemes” to make the IPO appear better or more valuable than it is in reality.

There would be no trading in the debt so none of the creditors would have to factor that in. All is in “cash terms” with no future risk terms other than performance of the Company.

All Global Crossing management would be dismissed and replaced with management of the Respondent. Such would result in considerable cash flow savings because our company is “performance based” and does not award bonuses, perks, options and other benefits for wrecking the company or performing poorly.

The Respondent would immediately pursue several customer and revenue building initiatives with a non-U.S. telecom that wishes to be our customer and strategic alliance partner and a proposal we intend to make to SWIFT to recover that business and significantly expand the number of banks served by that company. The CTO of the Respondent is the former international WAN director for over 13,000 banks, most of which are not part of the SWIFT network.

The Respondent does intend to petition the U.S. Bankruptcy Court to either have a separate plan of reorganization submitted by the Purchaser independent of the Debtor and its exclusivity period, for cause shown and part of that cause already disclosed to this Commission, or to consider the Asset Purchase Agreement separately subject to a Chapter 11 plan where the Respondent is the plan proponent, not Global Crossing management.

It may not be to the Commission but it is abundantly clear why this bankruptcy has been stuck on high center while it tried to resolve issues deceitfully instead of facing them head on.

This Respondent would seek from the Bankruptcy Court a reversal of its order granting a \$30 million to \$50 million “break up fee” payable to HW and STT now that it is known that they have been part of the cover up as well and why no other bidder or due diligence was allowed on Global Crossing. According to the June 3, 2003 article from Singapore (Attachment 2) STT claims is has both a “Lock Up” and “Lock Out” of competing bids for Global Crossing.

Now that this Commission has been shown who is behind it, why they are doing it and that all bidders thus far are only playing along with the “cover up” going on in the bankruptcy by the creditors, debtor and advisors, this Respondent trusts that it will understand that this is the “highest and best offer” yet on Global Crossing.

In the Debtor’s Disclosure Statement they disclose that they have 320,000 contracts and instead of bringing all of them before the Court for scrutiny the Debtor petitioned and the Court approved the posting of those contracts at www.bsillc.com. Unless one knows all of the names of each creditor of Global Crossing, there is NO LIST AVAILABLE on all of these 320,000 contracts and this Respondent has seen what are potentially some alarming patterns in asking for certain “names” on that website.

For each of the items below, the Commission is advised that under § 365 of the Bankruptcy Code a Debtor can either assume or reject executory contracts and leases or in some instances renegotiate them. The assumption or rejection of contracts under § 365 of the Bankruptcy Code normally has to happen with so many days after filing of the original petition, in this instance January 28, 2002. However, the Debtor petitioned the Court for an extension and the Court ruled that all such contracts could be assumed or rejected at time the Chapter 11 plan is confirmed.

- CampusLinks was purchased from an investor group in which Gary Winnick was a participant by PaeTec Communications. PaeTec is controlled by Blackstone Group and other investors. All creditor claims of PaeTec are showing as \$0 due and could mean that the contracts have been “assumed” without inquiry as to whether or not the terms of the agreement were commercially abusive to GCL or so commercially favorable to PaeTec to be bordering on ludicrous.
- Most or all Citizens Communications contracts show \$0 or very little due. Again without the scrutiny that maybe the contracts are not in the best interest of GCL and decidedly in favor of Citizens. In light of leaving \$600,000,000 of Frontier debt on the GCL books, anything is possible. We would also scrutinize every contract with Centennial Communications, Century Communications, Adelphia and some others offshore. See Attachment 3.

- Most or all Williams Communications contracts show \$0 or very little due. As stated in earlier documents filed by this Respondent we uncovered something in the Spring of 2001 that led to Global Crossing and WCG. It would be our intent that every one of these contracts is reviewed before being assumed and might be amended before assumption is agreed to under our version of a Purchase Agreement and reorganization plan.
- Most or all SBC contracts show \$0 or very little due. This Respondent has a former WCG management person come forward with information that suggests we would fully scrutinize all WCG – GCL agreements before agreeing to “assume” them.
- All AGC contracts show \$0 due and should be fully reviewed before any assumption of the agreements occurs.

What is disclosed above represents less than 100 of the 320,000 contracts and with the claimed “cost of access and maintenance” being over 70% of gross revenues of Global Crossing, a full review of those contracts, assets, costs and whether or not insiders would still be plundering GCL is in order.

Respectfully submitted,

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

Dated: June 4, 2003

CERTIFICATE OF SERVICE

I, Karl W. B. Schwarz, hereby certify that on this 4th day of June, 2003, I caused a true and correct copy of the foregoing Supplemental Response to Applicants' Motion for Declaratory Ruling to be served on the following parties in the manner indicated:

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ATTACHMENT 1

ICAHN'S \$118 BILLION CASH BID FOR EII IS HIS LATEST EFFORT TO BLOCK RIVAL BLACK, BY LAURA JERESKI STAFF REPORTER OF THE WALL STREET JOURNAL

New York rival dealmakers Carl Icahn and Leon Black are onetime tennis partners but they're playing more matches in bankruptcy court these days than on the tennis court.

The latest volley came Friday when Mr. Icahn made another attempt to block Mr. Black from taking control of EII Holdings, Inc. offering \$118 billion in cash for the holding company that is operating under Bankruptcy Court protection.

In a letter to EII's board, Mr. Icahn proposed that senior debtholders be repaid in full plus accrued interest and offered the junior debenture holders \$740 for each \$1000 face amount of debt for a total cash outlay of \$805 million. The offer includes \$375 million of cash already in EII.

This is Mr. Icahn's fourth attempt to buy the parent of Samsonite Luggage, Culligan Water Softener and McGregor apparel but it's his first cash offer.

Still analysts are skeptical. "At the moment the offer is meaningless", said Max Holmes, director of bankruptcy research at Salomon Brothers, Inc.

This is because EII currently has the exclusive right under bankruptcy law to put forth a plan of reorganization. That plan proposed by the company in February was defeated last Monday by Mr. Icahn who owns 314 of EII's Junior Debentures but the Court could force the adoption of the company's plan anyway in a "cram down" procedure at the next hearing before Judge Cornelius Blackshear in New York on May 24.

Mr. Icahn objected to the Company's plan because it would give control of EII to Apollo Advisers, which Mr. Black manages. Apollo owns 24% of the company's senior debt and 27% of the junior debt, which would give it just over 50% of the new equity under a conversion privilege in the Company's proposed restructuring.

According to the Company's plan, senior bondholders would receive a combination of cash, new notes and stock valued at \$1140 for each \$1000 face amount of debt in the plan but may elect to receive their distribution entirely in new stock. Junior debenture holders would receive a debt and stock package valued at \$590 for each \$1000 face amount of debt.

Mr. Icahn contends the Company's plan shouldn't be approved by the Court because it repays senior bondholders in excess of the \$648 million value of their claim because EII assigns a value of \$1455 a share to the stock while other analysts value the stock between \$18 and \$2250.

In his letter to the board, Mr. Icahn said that the funds for his offer are already available since he recently refinanced the rail car business of ACF Industries, Inc. his holding company. He added he would put down a \$50 million nonrefundable deposit once the three-person board of EII accepts his offer.

Mr. Icahn is also unhappy about aspects of a proposal to create a litigation trust for the benefit of the junior debtholders charged with getting recoveries from former EII owner Meshalum Riklis. The Creditors Committee agreed to appoint Hillel Weinberger of CNA Financial, a subsidiary of Loews Corp that holds about 3% of the senior debt and 6% of the junior debt as sole trustee. Mr. Weinberger will personally be paid \$100,000 plus 1% of any recoveries to manage the trust.

This will be done on my own time said Mr. Weinberger. Settlement talks last week produced another \$65 million from a Riklis affiliate to be split between the junior debenture holders and another Riklis affiliate according to an earlier agreement.

In a statement, Steven Green Chairman of EII's board said that, "Mr. Icahn's proposal had been forwarded to the EII Creditors Committee, which is scheduled to meet tonight". "I would be surprised if the Committee were to put its plan on hold in order to explore this proposal", said Robert Falk, a principal at Apollo.

But to the market, the Icahn offer looks tantalizing. "This is an old fashioned tender offer for cash", said Darryl L. Schall, an analyst with Dabney Resnick in Los Angeles. "There's been a feeling in the market that someone would come in with cash".

Indeed the junior bonds have been hovering at a price of 70 cents on the dollar, well above the 59 cents they are valued at in the Company's plan. Following Mr. Icahn's announcement, they shot up to 74, gaining \$40 for each \$1000 face amount on fairly heavy trading volume.

"There's not a lot of downside to these bonds", said Salomon's Mr. Holmes.

But newcomers certainly won't fare as well as Mr. Icahn and Mr. Black. Mr. Icahn who bought his bonds for about 35 cents on the dollar stand to roughly double his money even under the Company's plan. At the time Mr. Black acquired his position through Apollo Advisers' purchase of the Executive Life Insurance Co of California's junk bond portfolio, the senior bonds were valued at about 29 cents on the dollar and the junior bonds at less than half that. Mr. Black is sure to nearly triple his investment.

9305170094 930517

Mr. Hillel Weinberger and Continental are original owners of a large block of Global Crossing stock:

EXHIBIT A

	Shares Beneficially Held	Share Ownership	Vote Percentage
Gary Winnick	87,591,172	21.22%	9.50%
CIBC (Including Jay R. Bloom and Michael R. Steed)	88,198,248	21.37%	24.59%
MRCo	30,109,522	7.30%	8.40%
Continental	36,442,735	8.83%	9.50%
Barry Porter	17,063,809	4.13%	4.75%
David Lee	18,559,028	4.50%	5.18%
Abbott Brown	10,460,679	2.53%	2.91%
Lod Cook	3,324,169	0.81%	0.93%
Hillel Weinberger	2,245,674	0.54%	
Total	293,995,036	71.23%	65.76%*
Total Company:	412,732,100		

*Excluding shares beneficially held by Hillel Weinberger

The following names are signatories on the document to which the foregoing Exhibit A is attached.

We are concerned that the signature block for CIBC shows “Global Crossing Ltd LDC”, a designation as “Limited Duration Corporation”.

It raises a few interesting questions. CIBC and its former Milken co-defendant Bruce Raben who located there reportedly made over \$2 billion on Global Crossing. Sources confirmed to this Respondent that Global Crossing LDC was a “Cayman Island offshore” and when all other holders converted to Bermuda Global Crossing Ltd shares CIBC did not. Cayman Islands and LDC structures are synonymous with the types of abusive offshore shorting activity this Respondent has disclosed to the Commission.

FRONTIER CORPORATION

By: /s/ Joseph P. Clayton
Joseph P. Clayton
Chief Executive Officer

GLOBAL CROSSING LTD.

By: /s/ Thomas J. Casey
Thomas J. Casey
Vice Chairman

BROWN LIVING TRUST
RIDGESTONE CORP.

By: /s/ Abbott L. Brown
Abbott L. Brown

GALENIGHT CORP.

By: /s/ Barry Porter
Barry Porter

CONTINENTAL CASUALTY
CORPORATION
CONTINENTAL CASUALTY CORP.
DESIGNATED HIGH YIELD FUND

By: /s/ Hillel Weinberger
Hillel Weinberger

GLOBAL CROSSING TRUST 1998 (other documents indicate as a New
York Trust)

By: /s/ Hillel Weinberger
Hillel Weinberger, as Trustee

GLOBAL CROSSING PARTNERS

By: /s/ Hillel Weinberger
Hillel Weinberger,
as general partner

CIBC WG ARGOSY MERCHANT FUND 3, LP
CIBC WOOD GUNDY CAPITAL (SFC) INC.
CO-INVESTMENT MERCHANT FUND, LLC
GLOBAL CROSSING LTD., LDC
CANADIAN IMPERIAL BANK OF
COMMERCE

By: /s/ Jay R. Bloom
Jay R. Bloom

DAVID AND ELLEN LEE FAMILY TRUST

By: /s/ David Lee
David Lee, Trustee

SAN PASQUAL CORP.

By: /s/ David Lee
David Lee

PACIFIC CAPITAL GROUP, INC.

By: /s/ Gary Winnick
Gary Winnick

GKW UNIFIED HOLDINGS, LLC

By: Pacific Capital Group, Inc.
Manager

By: /s/ Gary Winnick
Gary Winnick

MRCo, Inc.

By: /s/ Michael R. Steed
Michael R. Steed

/s/ Abbott L. Brown
Abbott L. Brown

/s/ Barry Porter
Barry Porter

/s/ David L. Lee
David L. Lee

/s/ Gary Winnick
Gary Winnick

/s/ Lodwick M. Cook
Lodwick M. Cook

/s/ Hillel Weinberger
Hillel Weinberger

/s/ Jay R. Bloom
Jay R. Bloom

/s/ Michael R. Steed
Michael R. Steed

ATTACHMENT 2

Business Times - 03 Jun 2003

Global Crossing can't accept Icahn offer *Agreement with ST Telemedia takes precedence: source*

By AMIT ROY CHOUDHURY

(SINGAPORE) Singapore Technologies Telemedia's agreement with Global Crossing prevents the latter from soliciting competing offers, an industry source said yesterday - after US financier Carl Icahn last week made a bid of US\$700 million for the troubled fibre-optic network provider.

ST Telemedia has offered US\$250 million for a 61.5 per cent stake in Global Crossing, which effectively values the latter at US\$407 million.

Mr Icahn's XO Communications last week offered to acquire all of Global Crossing after the latter's creditors - according to Mr Icahn - approached him to make an offer. He says that XO, a Virginia-based carrier that exited bankruptcy earlier this year, could easily combine its operations with those of Global Crossing.

But according to the source, the understanding between ST Telemedia and Global Crossing legally prevents Global Crossing from considering any competing offer.

Bermuda-based Global Crossing sought Chapter 11 bankruptcy protection in January last year after amassing US\$12.4 billion in debt building a 160,934-km fibre-optic network in 27 countries. Global Crossing listed US\$22.4 billion in assets in its bankruptcy filing.

According to the source, a recovery plan filed in the US bankruptcy court in New York prevents Global Crossing from soliciting alternative buyout offers. The court must rule on the deal with ST Telemedia before any new bids for Global Crossing can be considered.

ST Telemedia became the sole bidder for Global Crossing after Hutchison Telecommunications walked away from the deal in April.

On April 30, ST Telemedia announced that it would increase its proposed investment in Global Crossing from US\$125 million to US\$250 million, for a 61.5 per cent interest in the company upon its emergence from bankruptcy. ST Telemedia also assumed the rights and ongoing obligations of Hutchison contained in the original purchase agreement announced in August last year between Global Crossing, ST Telemedia and Hutchison.

Under the deal, Global Crossing's pre-petition creditors would continue to receive 38.5 per cent of the common equity in the newly-constituted Global Crossing, about US\$300 million cash and US\$200 million of new debt in the form of senior notes.

ATTACHMENT 3

Centennial Communications is 54% owned by Welsh Carson Anderson & Stowe and 30% owned by Blackstone Group.

<http://www-2.hoovers.com/co/capsule/1/0,2163,13011,00.html>

Centennial Communications was founded by Dr. Leonard Tow, the current Chairman of Citizens Communications and was appointed to the Official Equity Holders Committee in the Adelpia Chapter 11 and such committee granted by U.S. Trustee Carolyn S. Schwartz, SDNY. This same trustee rejected the Official Equity Holders Committee status in the Williams Communications and Global Crossing bankruptcy cases. Citizens purchased Frontier from Global Crossing at a price of \$11.2 billion (GX Purchase) minus \$3.62 billion (Citizens Purchase) = \$7.58 billion asset impairment or “Liabilities Subject to Compromise”.

<http://www.shareholder.com/czn/news/19990520-15974.htm>

Jack Scanlon, former CEO of Global Crossing was on the board of Centennial Communications. The AGC website on that news release is now a dead link.

http://www.asiaglobalcrossing.com/about_agc/executives/jack_scanlon.htm

Global Crossing sold capacity to Centennial and agreed to purchase services from Centennial pre-bankruptcy, a company that involves their bankruptcy financial advisor Blackstone. Someone needs to inquire into the “post-bankruptcy relationship” of this GX Newco and Centennial / Blackstone.

Following the acquisition of Centennial Communications by the WCAS and Blackstone interests, Global Crossing has agreements to provide capacity to Centennial Communications and purchase services from Centennial Communications. That is a known fact.

<http://query.nytimes.com/gst/abstract.html?res=FB0B10F9395C0C738EDDAA0894DA404482>

According to SEC records this Respondent retrieved, Blackstone Group lists Rudy J. Graf as one of the past or present partners of Blackstone. Another trend to look for: Blackstone does not place board directors in places they do not have a vested interest.

Rudy Graf And Scott Schneider Elected To Board
Of Citizens Utilities' Subsidiary, Electric
Lightwave

Rudy Graf And Scott Schneider Elected To Board Of Citizens Utilities' Subsidiary, Electric Lightwave VANCOUVER, Wash., Nov. 29 -- The Board of Directors of Electric Lightwave Inc. (Nasdaq: ELIX - news) announced today the election of Rudy J. Graf as chief executive officer. Mr. Graf and Scott N. Schneider were also elected directors of Electric Lightwave, Inc. Mr. Graf is President and Chief Operating Officer of Citizens Utilities Company (NYSE: CZN - news, CZNPr - news). Before this, he was President and Chief Operating Officer of Centennial Cellular Corp., a provider of wireless and wireline telephone services in the United States and Puerto Rico.

Mr. Schneider is Executive Vice President, Strategic Planning and Development for Citizens and President of Citizens Capital Ventures, a new subsidiary formed to take advantage of telecommunications business opportunities in e-commerce and the Internet. Prior to this position, he was Senior Vice President and Chief Financial Officer of Century Communications Corp.

Mr. Graf is President and Chief Operating Officer of Citizens Utilities Company (NYSE: CZN - news, CZNPr - news). Before this, he was President and Chief Operating Officer of Centennial Cellular Corp., a provider of wireless and wireline telephone services in the United States and Puerto Rico.

Executive Officers of Citizens:

1. **Leonard Tow.** Dr. Tow is the Chairman of the Board and Chief Executive Officer of Citizens.
2. **Rudy J. Graf.** Mr. Graf is the President and Chief Operating Officer of Citizens.

11. **Scott N. Schneider.** Mr. Schneider is the Executive Vice President and President, Citizens Capital Ventures.

Mr. Schneider also got to sit on the Adelphia Official Equity Holders Committee.

Secured from the SEC:

BLACKSTONE CAPITAL PARTNERS II MERCHANT BANKING FUND LP

* **BLACK, LEON D.** A Michael Milken co-defendant and a current RICO defendant in action brought by Attorney General of California and the Insurance Commissioner of that state involving Executive Life, a Milken deal. A known associate of Carl Icahn. They did Vail together to the tune of \$124 million, and E-II Holdings (Steven J. Green), etc.

* COLEMAN, TIMOTHY R.

* DODES, IVY

* DX, HAMILTON HM

* ENTITIES, APOLLO = Leon Black and some others.

* FARMER, RICHARD T.

* FRIEDMAN, ROBERT L.

* GALLOGLY, MARK T.

* GILLOOLY, MICHAEL FRANCIS BENEDICT

* GRILLO, ANTHONY

* **HANNAN, JOHN J.** a Michael Milken co-defendant and named in the California AG Lockyer RICO action regarding Executive Life.

* HELM, STEVEN

* **HOFFMAN, MICHAEL B.**, head of the WCG bankruptcy team.

* HUTCHINS, GLENN H.

* KAPLAN, DAVID B.

* KUKRAL, JOHN Z.

* LAIDLAW, MARTIN WILLIAM

* LAPPIN, RICHARD C.

* LIPSON, HOWARD A. A Defendant in United States v Blackstone Merchant Bank & Howard A. Lipson antitrust case. A case that was quietly settled by stipulation shortly before Clinton nominated Peter G. Peterson Chairman of Blackstone as the Chairman of the New York Federal Reserve Bank. The target company was Loewen Group of Canada.

* LIPSON, HOWARD

* MEMBERS, FOUNDING

* **MOSSMAN, JAMES J.** GLOBAL CROSSING Ch 11 team head

* NEELY, WILSON S.

* NEWMAN, ARTHUR B.

* OFFSHORE, BLACKSTONE

* PATEL, SANJAY

* PATRICK, IAN THOMAS

* PETERSON, PETER G.

* PUGLISI, MICHAEL A.

* PUGLISI, MICHAEL

* PURCHASERS, APOLLO

* SAYLAK, THOMAS J.

* SCHWARZMAN, STEPHEN A.

* SCOTTSDALE, HAYDEN LOOP

* STOCKMAN, DAVID A.

* SUITE, HADEN LOOP

* WHITNEY, KENNETH C.

BLACKSTONE OFFSHORE CAPITAL PARTNERS II LP

* **PETERSON, PETER G.**

* **SCHWARZMAN, STEPHEN A.**

* **STOCKMAN, DAVID A.**

BLACKSTONE HOLDINGS CORP

- * ATKINSON, CRAIG
- * BALDWIN, KEITH
- * BAUER, FRANK
- * BAUER, FRANK R.
- * BC, BURNABY
- * BOEHLER, KLAUS
- * **CALLAHAN, JAMES** = Callahan cable deal in Europe?
- * COGLON, RICHARD
- * COLTART, GRAHAM
- * DAHLGREN, GLEN
- * DENNIS, DEREK
- * DEWOLFE, KIRSTEN
- * DICKENSON, SEAN
- * DICKENSON, LAVINIA
- * DICKENSON, RACHEL
- * DIXON, DEBRA
- * DURAND, DAN
- * ESSEIVA, ALAIN
- * FERRIER, CORBY
- * FERRIER, KEN
- * FIRONI, DAVIE
- * FLEMING, IAN
- * FOOTE, JOAN ANNE BARRINGTON
- * FOOTE, STEPHEN FRASER BARRINGTON
- * FOOTE, BARBARA KELLY BARRINGTON
- * FOOTE, STUART RANDLE BARRINGTON
- * FRITZLER, RICHARD D.
- * GOSSE, STEVE
- * HARTMAN, MARK
- * HELLER, DEAN
- * HOULE, VIVIAN
- * HUDA, SHIRAZ ALI
- * JAGAS, FRANK
- * JAMIESON, HERB
- * KEI, THOMAS
- * KNIGHT, LORI
- * KNIGHT, LYLE
- * LEEDY, RICHARD J.
- * LOVELL, SHAWN
- * MAK, NANCY
- * MCKNIGHT, KARA
- * MCKNIGHT, LAUREN
- * MCKNIGHT, MIKE
- * MCKNIGHT, BARB
- * MCNEIL, JAMIE
- * MCNEIL, CHRIS
- * MCNEIL, RUTH
- * MEADOWS, BILL
- * MURAKAMI, KEIKO
- * NEWMAN, KENT
- * **SIEGEL, MARK**
- * SPENCER, JEFF
- * STEPHENS, SIMON
- * STUIKI, MARTIN
- * SYLVESTRE, SHAWN

- * TATLER, BILL
- * TRACY, ROBERT
- * TYLER, SHEA

BLACKSTONE CCC CAPITAL PARTNERS LP

- * AFRICK, ANDREW
- * ANDERSON, MARK S.
- * ANDERSON, DANIEL B.
- * ANDERSON, KRISTIN M.
- * ANDERSON, BRUCE K.
- * **BRESNAN, WILLIAM J. = TCI Bresnan / Blackstone / Charter**

Communications

- * BUCKS, THOMAS E.
- * CARSON, RUSSELL L.
- * CASEY, JOHN H.
- * CHEHAYL, PETER W.
- * CHU, CHINH
- * COGAR, THOMAS R.
- * COLEMAN, TIMOTHY R.
- * DE NICOLA, ANTHONY J.
- * DONNELLY, PATRICK L.
- * FRIEDMAN, ROBERT L.
- * GALLOGLY, MARK T. - former Centennial board member
- * **GRAF, RUDY J. Tied to Citizens Comm, Centennial Comm, Electric Lightwave. Apparently a Partner in Blackstone Group.**

- * GUFFEY, LAWRENCE H. = current Centennial board member
- * **HOFFMAN, MICHAEL B. WCG Chapter 11 TEAM LEADER**
- * KAGAN, PAUL
- * KUKRAL, JOHN Z.
- * LIPSON, HOWARD A.
- * LUKE, DOUGLAS S.
- * MACKESY, D. SCOTT
- * MARRERO, MICHAEL
- * MAYBERRY, PHILLIP H.
- * MCINERNEY, THOMAS E.
- * MEMBERS, FOUNDING
- * MINICUCCI, ROBERT A.
- * **MOSSMAN, JAMES J. GLOBAL CROSSING TEAM LEADER**
- * NAME, PETER G. PETERSON
- * NAME, STEPHEN A. SCHWARZMAN
- * NEELY, WILSON S.
- * NEWMAN, PRISCILLA A.
- * NEWMAN, ARTHUR B.
- * OFFSHORE, BCP CCC
- * OVERSEAS, APOLLO
- * OWEN, EDWARD G.
- * PARTNERSHIPS, BLACKSTONE
- * PAUL, ANDREW M.
- * PETERSON, PETER G.
- * PUCHALA, ALFRED J.
- * PUGLISI, MICHAEL
- * QUEALLY, PAUL B.
- * **REGISTRATION, APOLLO DEMAND = Leon Black**
- * REILLY, TIMOTHY P.
- * ROBERT, PETER G. PETERSON

- * ROLLOVER, MICHAEL J. SMALL
- * ROWAN, MARC
- * RUPERT, RUDOLPH E.
- * SAYLAK, THOMAS J.
- * SCHWARTZ, PHYLLIS
- * SCHWARZMAN, STEPHEN A.
- * SCHWED, ROBERT A.
- * SMALL, MICHAEL J.
- * SORREL, LAWRENCE B.
- * STOCKHOLDER, SELLING
- * STOCKMAN, DAVID A.
- * VANBUREN, LAURA M.
- * VANBUREN, LAURA
- * **WELSH, PATRICK J. of WCAS or Blackstone?**
- WHITNEY, KENNETH C.

Mr. Lawrence Guffey of Blackstone now sits on the Centennial board:

http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=CYCL&script=2100

http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=CYCL&script=121&layout=7&item_id=40707

Lawrence H. Guffey

Lawrence H. Guffey was been named to the board upon the resignation of Mark T. Gallogly. Mr. Guffey will serve the remainder of Mr. Gallogly's term. Mr. Guffey previously served as a Centennial director from January 1999 to March 2001. He is a Senior Managing Director of the Blackstone Group, L.P., with which he has been associated since 1991.

The resigning party, Mark T. Gallogly, is also from Blackstone.

Callahan, TCI-Bresnan, Charter Communications. Follow the trail.

<http://www.callahanassoc.com/investors/blackstone.html>

If readers will pay particular attention to the dates, the names, who acquired, who sold and notice the “swap” that occurred in the following FTC information, the trail might be much clearer.

Think pyramid scheme.

Think “nesting doll arrangement” and who might be hiding in certain entities.

Think “roll up” and “spin off” mostly by and among the same parties and many times just different names or entities. Those deals make a lot of money for the attorneys, advisors, investment bankers, and insiders.

Think “stock swaps” that are advertised as “cash acquisitions”.

Think antitrust behind many different names and alter egos (nesting-doll arrangements).

Think blow out the American investing public at each step of the scheme and if that runs into the tens of billions, so what.

Someone might even read this and figure out who dreamed this up and where it was planned.

<http://www.ftc.gov/bc/earlyterm/1999/9904/et990420.htm>

Transaction Number:	19992113
Early Termination Date:	04/20/1999
Acquiring Person:	Leonard Tow
Acquired Person:	John J. Rigas
Acquired Entity:	Adelphia Communications Corporation

Dr. Leonard Tow, founder of Centennial Communications (sold to Blackstone and WCAS) and founder of Century Communications. See below.

Transaction Number:	19992114
Early Termination Date:	04/20/1999
Acquiring Person:	Trust created by Claire Tow, as Grantor
Acquired Person:	John J. Rigas
Acquired Entity:	Adelphia Communications Corporation

Transaction Number:	19992053
Early Termination Date:	04/20/1999
Acquiring Person:	Paul G. Allen
Acquired Person:	Peter A. Bordes
Acquired Entity:	Greater Media Cablevision, Inc., Greater Media, Inc.

Charter Communications “roll up” that also involved TCI-Bresnan / Blackstone, the [excite@home](#) cable business, a death spiral finance deal Excite accepted (Promethean Asset Management and GAIA Offshore fund) and was summarily melted down and removed as an obstacle to the Charter Communications “roll up” deal.

Charter Communications, founded by a multi-billionaire, quoted in the media as “considering bankruptcy”.

UPDATE 1-Adelphia shares plunge further on sale rumors

5/29/02 11:09 AM

Source: Reuters

(Updates stock price, adds comment from Adelphia)

LOS ANGELES, May 29 (Reuters) - Shares in cable company Adelphia Communications Corp fell a second straight day on Wednesday as the company named a dissident investor to its board and a newspaper reported it was running out of cash and working quickly to sell assets

Adelphia shares, which lost 28 percent on Tuesday, were down 36.5 percent at \$1.27 in the afternoon on Nasdaq. The shares were among the five most-active on Nasdaq and are down almost 96 percent this year.

Late on Tuesday, **the company said it had agreed to add Leonard Tow, the chairman of Citizens Communications Co. and owner of 12 percent of Adelphia's common shares, to its board, along with Citizens' vice chairman, Scott Schneider.**

Tow first demanded seats on the board on May 13 under an agreement struck in 1999 after he sold his Century Communications to Adelphia for \$3.6 billion in cash and stock.

He had initially demanded three seats, but a spokesman for Tow said on Tuesday he was offered only two and accepted the offer, though he has not waived any rights he may have to other board spots.

The news of Tow's appointment came after a day in which Adelphia stock was battered in reaction to details, released late Friday, of extensive off-balance sheet deals entered into by the Rigas family, which founded Adelphia 50 years ago.

The family relinquished control of the company last week and pledged to hand over \$1 billion in assets to help Adelphia satisfy its debts.

Credit rating agency Moody's Investors Service recently warned that bankruptcy was an increasing likelihood, and the Wall Street Journal reported on Wednesday that Adelphia could run out of cash within the next 10 days unless it raises new funds or sells some assets.

The Journal also said **Adelphia is in talks with Charter Communications Inc.** to sell some assets in Los Angeles and the Southeast.

A spokeswoman for Adelphia declined to comment on the company's liquidity or on any discussions it might be having with potential suitors. She said the company is following its announced strategy to pursue buyers for some of its properties.

Charter is controlled by billionaire investor Paul Allen, and brokerage Merrill Lynch said on Tuesday he would likely have to contribute to such a bid because of Charter's extensive debt.

Reports have also said a number of outside firms, including Blackstone Group, are looking at making an investment in Adelphia. A source close to Blackstone told Reuters it looked at Adelphia a few months ago for a possible deal. The group's interest has since waned, but it has left the door open, the source said.

Via the convolutions of Tow to Centennial to Century to WCAS / Blackstone, and somehow Adelphia wound up with it, the “stock ownership” of all entities and who controls those entities should be checked in to. Blackstone is probably already there and not willing to invest more and tip their hand.

Transaction Number:	19992115
Early Termination Date:	04/20/1999
Acquiring Person:	Trust created by Leonard Tow, as Grantor
Acquired Person:	John J. Rigas
Acquired Entity:	Adelphia Communications Corporation

Is that trust the Tow family or the Tow family and others hiding in a “nesting doll”?

Transaction Number:	19992116
Early Termination Date:	04/20/1999
Acquiring Person:	John J. Rigas
Acquired Person:	Century Communications Corp.
Acquired Entity:	Century Communications Corp.
Acquired Entity:	Citizens-Century Cable Television Venture

So it was supposedly John Rigas that bought Century for \$2.1 billion from Citizens / Tow or was it bought from Blackstone and WCAS and was a stock deal and not a cash deal? Adelphia apparently did not have \$2.1 billion in cash at that time so who bought “whom”? According to 1998 FTC records Welsh, Carson, Anderson & Stowe purchased both Century Communications and Centennial Cellular (now Centennial Communications).

Transaction Number:	19984634
Early Termination Date:	09/25/98

Acquiring Person:
Welsh, Carson, Anderson & Stowe, VIII, L.P.

Acquired Person:
Century Communications Corp.

Acquired Entity:
Centennial Cellular Corp.

But first, WCAS appears to have bought Century / Centennial. Is Blackstone here or hiding behind an alter ego?

Transaction Number:	19984719
Early Termination Date:	09/25/98
Acquiring Person:	Citizens Utilities Company
Acquired Person:	Rhineland Telecommunications, Inc.
Acquired Entity:	Rhineland Telecommunications, Inc.

Transaction Number:	19984639
Early Termination Date:	09/25/98
Acquiring Person:	John J. Rigas
Acquired Person:	Tele-Communications, Inc.
Acquired Entity:	TCID-SVHH, Inc.

What was learned from Milken was that the LBO “max out the price” takeovers were not working. That was especially true when new GAAP rules for accounting of “goodwill” set in.

Much more efficient and much bigger swings in profits for the insiders if the takeover price is driven down, not up.

The key to that is plan the bankruptcy far in advance and do a lot of deals to make things appear other than as they really are. The “Liabilities Subject to Compromise” can always be used to get rid of the shareholders and any serious due diligence into what really was done inside the company and who is really profiting from the bankruptcy.