

**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' RESPONSE
TO GREENBERG TRAUIG LETTER TO FCC COMMISSION,
CFIUS, FBI AND DEPARTMENT OF JUSTICE ON BEHALF OF
CERTAIN CLASS C, D AND E CREDITORS.**

COMMAXXESS, Inc provides the following response to the June 9, 2003 letter from Greenberg Traurig, special counsel to Certain Creditors of the Global Crossing Unsecured Creditors Committee that was circulated to CFIUS, Department of Justice, Federal Bureau of Investigation, and this Commission.

On June 11, 2003 the following excerpt appeared in the Washington Post¹ newspaper:

"A committee of GC creditors (owed \$5B at bankruptcy) wrote to federal government officials saying that they stand behind a plan to sell majority control to STT, because rival bids too much risk."

¹ Washington Post, June 11, 2003, Business section.

THE JUNE 9, 2003 GREENBERG TRAURIG LETTER

This Respondent was contacted late on June 10, 2003 by the office of the Honorable Robert Gerber, U.S. District Judge, U.S. Bankruptcy Court, Southern District of New York. That call was precipitated due to an email this Respondent sent to one of the Creditor Committee attorneys with Brown Rudnick.

Even though Green Traurig was diligent in seeing to it that the FBI, DOJ, CFIUS and this Commission got a copy of the "pdf" document, the Court had not been provided a copy of the Greenberg Traurig letter (the "**Greenberg Letter**"). This Respondent was requested to provide a copy to the Court and did so.

As of noon June 12, 2003, there is still no announcement from the SDNY bankruptcy court as to whether it granted the debtor the permission to extend the exclusivity period whereby no other firms may submit a plan of reorganization.

The Respondent has said it and has provided information to prove that the "urgency" of these parties is nothing more than their "urgent desire" to get this deal done, closed and the protection of the Final Order of Bankruptcy where they will insist upon exculpation, injunction and release. They want to cover up a fraud and there is something else disclosed in this ECFS publicly filed comment that they are in "urgent" desire to cover up.

These parties have resisted every attempt at "due diligence" and they prove with every move that it is something they fear and something they urgently want to get out of ever having to do.

On page 1, paragraph 1, the Greenberg Letter the following is stated:

"The Committee represents creditor parties with claims totaling over \$5 billion at the time Global Crossing Ltd. and 79 of its subsidiaries ("Global Crossing") filed their bankruptcy petitions. The purpose of this letter is to express the Committee's continued support for the proposed investment by Singapore Technologies Telemedia Pte Ltd ("ST Telemedia") as more fully described in the August 9, 2002 Purchase Agreement, a copy of which we understand has been provided to the Committee on Foreign Investment in the United States ("CFIUS"), and urge CFIUS to conduct its review without delay."

This is the same group of creditors that have attempted to hide why there is still \$600,000,000 of Frontier Communications debt still sitting on the books of Global Crossing. According to the date that Hutchison signed its Confidentiality Agreement² such was done precedent to starting the bankruptcy planning and their \$750,000,000 announcement that was made on January 28, 2002.

² GlobalAxxess Response, May 26, 2003, page 3 of 69.

This is the same group of creditors that does not want to address the matter of IPC Information Systems being sold to Goldman Sachs via the Purchase Agreement dated November 16, 2001 and announced on December 18, 2001.

This is the same group of creditors and insiders that transferred another asset of the estate in July 2001 less than 6 months prior to bankruptcy. That matter is addressed in this ECFS document.

This is the same group of creditors that would receive nice bonuses in the form of 11% Senior Notes in exchange for their cooperation that there be no due diligence. A nice bonus in non-cash form in exchange for not being either subordinated or disallowed as a valid claim against the estate of the Debtor. A nice bonus instead of taking steps to remedy the fraudulent transfer of assets to insider parties.

On page 2, paragraph 1 of the Greenberg Letter:

As you are no doubt aware, Global Crossing spent over one year in an exhaustive effort to attract additional investment. That investment process resulted in proposed investment by ST Telemedia and Hutchison Telecommunications Limited ("Hutchison") as embodied in the Purchase Agreement. After eight months of negotiations with CFIUS, Hutchison terminated its proposed investment and ST Telemedia assumed all the rights and on-going obligations of Hutchison.

This Respondent has repeatedly pointed out to this Commission that this "exhaustive effort" phrase is a mere attempt to "paint a picture" that is not factually accurate. First, on December 3, 2002 this Respondent pointed out to the Commission that none of the bidders were invited to the August 9, 2002 hearing nor were any of the bids considered or ever presented to the Court for its review except the Hutchison and STT proposal that went from \$750,000,000 to \$250,000,000. They scuttled all bids at the eleventh hour and went back to negotiations that would have as a Debtor, Blackstone and Creditor (some creditors) condition "no due diligence".

The filings this Respondent made on May 9, May 26, May 30, June 4 and June 6, 2003 added details to what they are hiding both from the Commission, CFIUS and from the Bankruptcy Court. Surely the Commission has figured out that they do not respond to this Respondent, they try to maneuver around the facts. Where this Respondent comes from, we call that "**not being hemmed in by the truth**".

On the same day Global Crossing filed the Chapter 11 petition, January 28, 2002³, the Hutchison Whampoa and ST Telemedia offer of \$750,000,000 was announced. These "financial advisors" did not have to scour the world to find a buyer. They had a "lock up" buyer the day the petition was filed. Again, **they cannot tell the truth.**

³ <http://www.globalcrossing.com/xml/news/2002/january/28.xml>

On August 9, 2002 they basically acted as if all other bidders had abandoned their interest in acquiring the assets and advised the Court that the revised \$250,000,000 bid, with no due diligence, was the best bid they could possibly find in all of their “exhaustive efforts”. Again, **they cannot the truth.**

In all due respect to this Commission, the exhaustive part of the efforts are to cover up the fraud within Global Crossing, what some of their insiders did, who had benefit of “fire sales” before the petition was filed, and find a buyer who will buy it without due diligence. More importantly, not sue some of these creditors for their conduct, and the financial advisor Blackstone and Citizens Communications, or seek recovery of IPC Information Systems from Goldman Sachs⁴, or seek recovery of Frontier ILEC from Citizens or transfer that debt to them as should have been done in the acquisition, or seek recovery of a third asset that is disclosed in this document.

What the Applicants do not want anyone to know is that the bankruptcy had been in planning since mid-2001, Hutchison signed June 25, 2001, STT signed August 23, 2001⁵. Any other admission is one of aiding the class action and ERISA fraud lawsuits and the RICO action that the shareholders aligned with this Respondent intend to bring.

The SDNY Bankruptcy Court ordered the sale of the assets through § 363 auction on March 25, 2002. Blackstone was not facilitating the bids. They were trying to control “how” any interested bidder could bid on the assets, which was not part of the court order or their authorization to do so under the § 363 order of the Court.

As for “analysis of those bids”, these parties have not evaluated any bid from this Respondent but they are well aware that we are on to their game and will not look the other way. The bid this Respondent attempted to announce last week and has announced this date of June 12, 2003⁶ is a bid that is \$300 million higher than STT. The Creditors Committee was aware of that last week, well before this Greenberg Letter. That email was part of what the SDNY Bankruptcy Court wanted to see.

They do not want due diligence and being held accountable for what they have done to the shareholders and many of the creditors.

On page 2, paragraph 2 of the Greenberg letter:

Recently, other parties have publicly announced their desire to bid on Global Crossing. These bids are non-binding and subject to the significant risks and uncertainties inherent in the due diligence and negotiation process. Moreover, based on our analysis of the those bids, we have concluded that ST Telemedia's proposed investment provides the greatest likelihood of achieving the maximum value for the unsecured creditors of Global Crossing. All parties had a previous

⁴ <http://www.globalcrossing.com/xml/news/2001/december/20.xml>

⁵ GlobalAxxess Response, May 26, 2003, page 3 of 69.

⁶ <http://www.prweb.com/releases/?68846>

opportunity to bid on Global Crossing and any new bids have to be analyzed in light of the fact that such bids could inject substantial delay into Global Crossing's efforts to emerge from bankruptcy as it would require the parties to negotiate a new purchase agreement, prepare a new plan or reorganization for solicitation amongst all the creditors, and pursue new regulatory approvals.

Additionally, the bid we are preparing for submittal to the Court is binding subject to the Court doing several things requested of it and would not be abandoned on the account of due diligence. On the contrary, we would use that due diligence to clean up the mess and hold some parties accountable for defrauding the public, the shareholders and the majority of Global Crossing creditors.

We concur with Greenberg Traurig only on one matter; it has been “exhaustive” trying to cover up a fraud of the magnitude some of these parties have undertaken and put over on an unsuspecting public.

Instead of continuing this charade, we would open up the vaults, cooperate with the class action attorneys and let them have at these plundering parties wherever that did not conflict with the plan we would implement.

The bankruptcy courts of this nation are not a haven from fraud, and that is exactly what Global Crossing, Blackstone and certain creditors are using the bankruptcy court for at this time. This entire charade is to cover up their fraudulent actions at the expense of the shareholders and many of the creditors that are not insiders and are not controlling or even approving of the process.

The implied threats of “*could inject substantial delay into Global Crossing's effort to emerge from bankruptcy*” and “*would require the parties to negotiate a new purchase agreement*” are threats that detract from the real issues.

Our Purchase Agreement is ready to be submitted at any time and is not negotiable. The Commission and other federal authorities are welcome to see a copy of that document if they wish. It would take 5 minutes to transmit and not one hour of whining or negotiating with Global Crossing or Blackstone would be lost. A Disclosure Statement could be ready within 10 business days. New regulatory approvals would be commenced at the same time the Purchase Agreement is submitted. There is not a single statement in the Greenberg Letter that is factually accurate or anything other than “urgency” to get exculpation and urgency to get CFIUS and FCC to do the wrong thing.

On page two of the Greenberg Letter, two persons are shown as “cc” on this June 9 letter that was distributed on June 10, 7:21 AM CDT:

Mr. Joel Klein, co-chair

Mr. Richard Nilsson, co-chair

Mr. Klein and his PPM America have been on our radar screen for quite some time. He was one of the Informal Noteholder's Committee in the Williams Communication Chapter 11 bankruptcy that was specifically done as a "lock up" Chapter 11 and no other parties allowed to provide higher and better offers to the creditors.

The Global Crossing bankruptcy is actually a "lock up" but they have to make it look good for the Court and the public, the FCC and CFIUS. When fraud is present, a "lock up" Chapter 11 is actually a "lock out" of due diligence and appropriate inquiry.

This Commission and Mr. Klein will be learning soon what the substantive actions 1,857 WCG shareholders that held approximately 56,000,000 shares will be filing against him, WCG and others under RICO. See **Attachment 1** and the Commission should note the similarities between Global Crossing creditors and WCG creditors. It is not an accident or coincidence.

Following the melt down of Long Term Capital Management⁷, Wall Street turned on the investing public to do two things; i.) cover their own butts and recover what the Federal Reserve⁸ made them shell out in hard dollars; and ii) to reap the benefits of how LTCM was positioned for Wall Street and their buddies and to hell with the investing public. Control of \$160 billion in stocks and bonds and derivatives of \$1.25 trillion⁹ is quite a windfall to Wall Street if they hide what they are really doing.

This Respondent has already shown this Commission how "nesting-doll arrangements" are being done, naked shorting through offshore hedge funds and even "collaborative shorting" to put companies into bankruptcy for cheap takeover. On Attachment 1, we are about to introduce this Commission to a "collaborative shorting

⁷ <http://mondediplo.com/1998/11/05warde2> *LTCM had capital of \$4.8 billion, a portfolio of \$200 billion (borrowing capacity in terms of leverage) and derivatives with a notional value of \$1,250 billion. The founder, John Meriwether, was a legendary trader who, after a spectacular career, had left Salomon Brothers following a scandal over the purchase of US Treasury bonds. This had not tarnished his reputation or dented his confidence. Asked whether he believed in efficient markets, he replied: "I MAKE them efficient" (3). Moreover, the fund's principal shareholders included two eminent experts in the "science" of risk, Myron Scholes and Robert Merton, who had been awarded the Nobel prize for economics in 1997 for their work on derivatives, and a dazzling array of professors of finance, young doctors of mathematics and physics and other "rocket scientists" capable of inventing extremely complex, daring and profitable financial schemes.*

⁸ http://www.streetstories.com/jm_forbes98.html **Forbes, October 19, 1998**; Investing: Archimedes on Wall Street; John Meriwether seemed to have a magic touch. What he really had was nerve-wracking leverage. **By Robert Lenzner**; "GIVE ME but one firm spot in which to stand," Archimedes declared, "and I will move the earth." While the ancient Greeks discovered the principle of leverage some 2,200 years ago, it was John Meriwether and his Long-Term Capital Management LP that showed how far leverage could take you in financial speculation. With \$4.8 billion in capital, Meriwether controlled \$160 billion in stocks and bonds, plus derivatives with a notional value of \$1 trillion. That's 240-for-1. As we will explain, it got even worse than that.

⁹ <http://www.cato.org/pubs/briefs/bp-052es.html>, This should be required reading for all investors to better understand how the capital markets are creating ways to profit themselves to the detriment of most of the investors participating in that market. LTCM is yet another fund that was built up to colossal proportions by a man who convinced investors he knew how to make them a lot of money at the general expense of the investing public.

group” that worked in unison to put WCG into bankruptcy and take that company over once the shareholders were completely removed. A great many of those same parties have been involved in putting Global Crossing into bankruptcy too.

It might help the Commission to think of it in another way. It is not a bankruptcy; it is a “transfer of wealth” strategy and a trading strategy.

The 58 persons arrested in Operation Bermuda Shorts by the FBI is somewhat akin to casting their nets for Great White Sharks and coming home with a bucket of minnows. There is much more work left to do. The “predators” are still very much running amuck through the markets and the waters are not safe for investors.

We have also made our comments known to certain parties that there are “Financial Terrorist” loose in our markets that are doing far more harm to this nation and its people than the “Al Queda style” terrorist.

The following and the information on Attachment 1 are from the bankrupt.com website¹⁰ regarding WCG. The WCG matters and GX matters are inter-related whether this Commission wants to accept or grasp that or not.

Debtors'
Financial Advisor:

The Blackstone Group, L.P.
345 Park Avenue
New York, NY 10154
Telephone (212) 583-5000
Fax (212) 583-5712

Members and
Representatives of the
Informal Noteholders'
Committee:

AEGON USA
Brian Elliott and Rick Perry
Capital Research & Investment
Mark Lindan
Collins & McIlheny, Inc.
Patrick Collins
Franklin Templeton Investments
Dick Kuersteiner and Ken Masters
PPM America
Joel Klein and Jim Schaffer
PIMCO
Cyrille Conseil and David Bahenna
Putnam Investments
Jim Miller
R2 Investments/Q Investments
Guillaume Boccara and Michael Diament
Sun America AIG
Jerry Howard and James Lee
Goldman Sachs
Caroline Berton

¹⁰ <http://bankrupt.com/williams.txt>

**IS THE NEW “SPECIAL COUNSEL” GREENBERG TRAURIG
COMING BEFORE THIS COMMISSION WITH OR WITHOUT
CONFLICTS OF INTEREST?**

1. According to the Denver Chamber of Commerce website¹¹ and announcing who their foundation sponsors are, the following is found:

TIAA-CREF is one of the foundation sponsors of the Denver Chamber. That entity is a creditor of Global Crossing and one that sits on the Creditor’s Committee of Debtor Global Crossing.

The law firm of Brownstein, Hyatt & Farber is one of the foundation sponsors of the Denver Chamber. Mr. Norman Brownstein has been disclosed to this Commission as being a lobbyist for TIAA-CREF, a former Global Crossing board member and a named defendant in most if not all of the class action stock fraud and ERISA fraud lawsuits filed against Global Crossing and its officer and directors. As of the individually named defendants in the Global Crossing stock fraud and ERISA fraud actions, Mr. Brownstein may well be looking at a massive judgment against him when the Global Crossing verdicts are handed down.

The law firm Greenberg Traurig is one of the foundation sponsors of the Denver Chamber.

We have reason to believe these parties all know each other pretty well.

2. Greenberg Traurig¹² has performed legal services to some of the creditors of Global Crossing such as CIBC and Salomon Smith Barney

**BLUS
Hamilton Capital Trust I/Hamilton Bancorp Inc.**

CIBC Oppenheimer (not only creditor but one of the original founders of Global Crossing and an entity with more than one Milken co-defendant directly involved in Global Crossing and Global Crossing Ltd LDC, Cayman Islands.)
Raymond James & Associates, Inc.

\$11 Million

Purpose: Trust/Holding Company
Date: 12/22/98

¹¹ http://www.denverchamber.org/chamber/programs/foundation/our_sponsors.htm

¹² <http://www.gtlaw.com/practices/corporate/ipo.asp>

Silverline Technologies Limited

Salomon Smith Barney – (subsidiary of Citigroup and directly involved in Cable System Holdings, Peter Woog, the IXNet and IPC Communications transactions and creditor of Global Crossing. Cable System Holdings has to be treated as a “partner” in Global Crossing based on known facts at this time.)

ABN AMRO = Creditor of Global Crossing
Rothschild
Jefferies & Company, Inc.

\$125Million (ADS)

Purpose: Information technology company
Date: 6/20/00

There are others listed on their website.

Where this crosses over from the Creditors Committee side of the table to conflicting with Citigroup’s Cable System Holdings / Global Crossing is both the debtor itself and its true relationship with Cable System Holdings (partnership) and the proposed sale of a major asset (\$1.35 billion) for \$63 million to Pivotal Private Equity, a firm staffed by former persons conflicted due to Cable System Holdings activities and Global Crossing / IXNet and IPC activities. See Attachment 3.

The ties between Global Crossing and Cable System Holdings (Citigroup Venture Capital) and having Greenberg Traurig perform work for any Citigroup entity and then purport to represent the unsecured creditors should be suspect to this Commission.

3. That Gary Winnick¹³ has an affinity for Jewish causes¹⁴ should be a known fact to this commission. Greenberg Traurig has pursued a specialty of U.S. – Israel investments¹⁵.

¹³ <http://www.jewishtribalreview.org/crimmisc.htm> Global Crossing Head Under Scrutiny, Washington Post, March 4, 2002; “*The Wiesenthal Center doesn't expect Global Crossing's troubles to interfere with Winnick's \$40 million pledge to build a Jerusalem branch with his name on it.*”

¹⁴

<http://216.239.53.100/search?q=cache:yPXL7RWY15cJ:www.jewsweek.com/society/224.htm+winnick+%24100+million+annually+Israel&hl=en&ie=UTF-8>; Philanthropy in times of crisis, Philanthropy for general Jewish causes relies on donations being tax-deductible; By Eliahu Salpeter; Jewsweek.com; “*An earlier bankruptcy declaration by a major corporation - the international communications giant, Global Crossing, last month - inflicted serious fiscal damage on one of the corporation's owners, Gary Winnick, the largest contributor to the Jewish Federation of Los Angeles. Winnick regularly donated approximately \$100 million annually to Jewish causes*”. DO THE MATH. According to the \$738 million he got, where is \$100 million a year coming from for such donations?

¹⁵ <http://www.gtlaw.com/pub/media/2002/israel02a.pdf>

4. At the Americas Society Organization website¹⁶ is more information that these parties commingle and overlap in ways that are conducive to conflicts of interest. They involve themselves with the Debtor and subsidiaries, the Debtors counsel, one of the former Debtor board members, a former Milken co-defendant and a current stock fraud and ERISA fraud defendant. But they come before this Commission and CFIUS purportedly representing the Unsecured Creditors. Based in information available, it appears more likely that their ties and affiliations are decidedly on the Debtor and Applicant side of this matter.

Global Crossing Development Co. = one of the debtor subsidiaries.

Greenberg Traurig, LLP = this new “special counsel” to the Unsecured Creditor’s Committee

Weil, Gotshal & Manges LLP = Debtor’s Counsel in bankruptcy

Trust Company of the West = Mark Attanasio, Distressed Assets, former board member of Global Crossing and Asia Global Crossing, currently named defendant in most of the class action stock fraud and securities fraud lawsuits of Global Crossing and Asia Global Crossing.

This one seems decidedly to be ties on the Debtor and defendant side of the table.

5. According to the NDI website¹⁷, there is more:

Global Crossing = debtor and applicant before this Commission.

Greenberg Traurig = this new “special counsel” to the Unsecured Creditors Committee

Kissinger McLarty Associates = hired by Global Crossing to lobby this change of control and open the doors to China for our heralded but unethical investment banking conglomerates such as Goldman Sachs and Citigroup / Smith Barney.

SEE ATTACHMENT 2.

6. Contributors to common causes such as the Jewish Museum include many creditors, the Debtor, and Greenberg Traurig.¹⁸

7. According to recent reports on political campaign donations to Rep. Richard Gephardt¹⁹:

¹⁶ <http://www.americas-society.org/coa/membersnetwork/members1.html>

¹⁷ <http://www.ndi.org/support/supporters/supporters.asp>

¹⁸ http://www.jewishmuseum.org/Pages/Support_the_JM/sup_corp.html

- (*) Global Crossing (OSO)
- (*) Goldman Sachs Group (OSO)
- (*) Greenberg, Traurig et al Law Firm (OSO)

**COUNSEL FOR THE APPLICANTS²⁰ BEFORE THE COMMISSION HAS A
CONFLICT WITH BLACKSTONE GROUP, FINANCIAL ADVISOR TO
GLOBAL CROSSING.**

Proceeding: 96-45
Type Code: CO
Date Received/Adopted: 04/22/02
Filed on Behalf of: PaeTec Communications, Inc.
Filed By: Swidler Berlin Shereff Friedman, LLP
Attorney/Author Name: Harry N. Malone
Complete Mailing Address:
 3000 K Street, N.W.
 Suite 300
 Washington, DC 20007 -5114

PaeTec Communications is a creditor of Global Crossing in the bankruptcy and evidently all claims are being set to \$0 dollars and the contracts to be assumed by Global Crossing under the plan of reorganization.

The PaeTec Communications is controlled by Blackstone Group and its private equity partners, end of statement. Blackstone's role as financial advisor to the debtor, a beneficiary apparently in the outcome of the bankruptcy and any positive deliberations by the Commission, this Respondent questions if the counsel is not overly "influenced" by the Financial Advisor when it is GX and STT that are the Applicants.

We would love to find a single person or a single firm brought into this Global Crossing matter that is either:

- i.) not explicitly conflicted; or
- ii.) not highly motivated financially to do the bidding of some person or firm that is literally on the other side of the table (in appearances evidently); or
- iii.) not connected to Michael Milken in any way or any former Milken co-defendant; or
- iv.) not directly or indirectly tied to a present or former board member; or
- v.) not directly or indirectly tied to a present ERISA fraud and stock fraud defendant; or

¹⁹ <http://www.quinnell.us/politics/2004/gephardttdonors.html>

²⁰ <http://www.fcc.gov/wcb/tapd/contributionmethodcomments.html>

- vi.) not involved in planning this bankruptcy and carving out key assets long in advance of the filing of the petition; or
- vii.) not trying to pay someone to lobby, twist the truth, misrepresent the facts to paint a pretty picture that is not; or
- viii.) capable of being objective instead of subjective and trying to conceal fraud.

**COUNSEL FOR ST TELEMEDIA IN THE GLOBAL CROSSING
BANKRUPTCY HAS A MAJOR CONFLICT**

This Respondent has already advised this Commission on the matters of the \$600,000,000 in Frontier Communications debt left on the Global Crossing books, the transfer of Frontier Communications to Citizens Communications at a time [June 25, 2001] that Blackstone Group was directly or indirectly a shareholder and had its own people or affiliates placed in management positions or on the board, and that Goldman Sachs removed the IPC Information Systems entity from Global Crossing on December 18, 2001 just a little more than a month prior to the filing of the bankruptcy petition.

Additionally, this Respondent has previously advised the Commission regarding the June 25, 2001 date that Hutchison signed its Confidentiality Agreement with Global Crossing and the August 23, 2001 date that ST Telemedia signed its Confidentiality Agreement with Global Crossing.

The following matter has not been brought to the Commission's attention until now.

On July 10, 2001²¹ the Asia and Australia portions of IXNet and IPC were transferred from Global Crossing to Asia Global Crossing²² in exchange for 26.8 million shares of Asia Global Crossing. Both Asia Global Crossing and Global Crossing had every reason to know that those shares were worthless²³ the day this transaction was closed.

²¹ <http://www.internationallawoffice.com/processdeals.cfm?firmref=1728>

²² **\$147m Acquisition:** Asia Global Crossing Ltd, Global Crossing Ltd

²³ <http://www.secfraud.com/filedcases/asgxfcomplaint.html>, 28. *Prior to the issuances of the concurrence, but concurrent with the formation of the Asia Global joint venture on or about November 24, 1999, defendants transferred Global Crossing's 64.5% interest in Pacific Crossing to Asia Global. The first segment of Pacific Crossing-1 commenced service in December 1999. As of the Company's October 12, 2000 IPO, the second segment of Pacific Crossing-1 was still under construction and expected to become operational by year end 2000.*

29. *Note 3 to the consolidated financial statements of Pacific Crossing, set forth in Asia Global's Form 10-K for the fiscal year ended December 31, 2000 and filed on April 12, 2001, stated that the total net value of Pacific Crossing's property and equipment was \$1.01 billion. This figure represented \$227.5 million worth of transmission equipment and \$783.1 worth of construction in progress.*

Legal advisers to all parties

Latham & Watkins

Milbank Tweed Hadley & McCloy LLP

Simpson Thacher & Bartlett

Deal Details

\$147m Acquisition: Asia Global Crossing Ltd, Global Crossing Ltd, JP Morgan Chase

Global Crossing has sold the Asian operations of IXNet Inc and IPC Communications together with the territorial rights to Australia and New Zealand in exchange for approximately 26.8 million shares of Asia Global Crossing common stock.

Based on the date of this transaction, this would be another asset of the estate that has not been pursued for recovery. No one can claim that this deal does not have insider written all over it. Basically giving assets away to Asia Global Crossing in exchange for stock that some or all of them probably knew would be worthless and blown out in bankruptcy.

Value (million): \$147

Closed: July 10 2001

Parties Involved Legal Advisers

Asia Global Crossing Ltd

Acquiror

Telecommunication Services

Milbank Tweed Hadley & McCloy LLP - New York NY

Global Crossing Ltd

43. On July 10, 2001, the Company purchased from Global Crossing the Asian operations of IXnet, Inc. ("IXnet Asia") and IPC Information Systems, Inc. ("IPC Asia") as well as the territorial rights to conduct telecommunications service businesses in Australia and New Zealand, in exchange for approximately 26.8 million shares of Class B common stock of the Company. [note – Less than 6 months prior to filing Chapter 11. Worthless and probably known to be worthless shares. See Hutchison Confidentiality Agreement June 25, 2001.]

44. Although the IXnet and Asia/IPC Asia acquisition from Global Crossing was a related party transaction, the Individual Defendants did not first obtain an independent formal valuation of those companies from a financial advisor before the IPO.

Vendor
Telecommunication Services

Simpson Thacher & Bartlett - New York NY

JP Morgan Chase
Financial adviser to vendor

Banks
Latham & Watkins - New York NY, Charles M Nathan

Latham & Watkins is representing the proposed buyers (HW and STT) in the Global Crossing bankruptcy. Less than 6 months before the bankruptcy is filed was representing one of the biggest Global Crossing creditors on the conveyance of a Debtor asset away from the estate and getting only in return what was probably known to be worthless stock. What is interesting is this “Major Creditor” acting as financial advisor for such a conveyance and then saying nothing when Latham & Watkins shows up with Hutchison and STT in the bankruptcy. That JPMorgan Chase is a GC creditor is a fact.

This Respondent is of the position that this is a very serious conflict of interest. Has it been made known to the Bankruptcy Court, it probably would not have been allowed. JPMorgan Chase has basically been trying to play the role of bully to get this deal done “down and dirty” and quick.

This information discloses that after the date Hutchison signed its Confidentiality Agreement, assets were transferred away from Global Crossing over a six-month period, first with Frontier, then IXNet and IPC Asia and then IPC Information Systems to Goldman Sachs.

The matters shown in the class action lawsuit excerpts as footnote 23 above are also matters they are “urgently” wanting exculpation for from the Bankruptcy Court.

It is very easy to trace and prove that Hutchison and ST Telemedia are direct shareholders in Asia Global Crossing.

This Respondent recently disclosed to this Commission that China NetCom; dba: Asia NetCom, is partially owned by CICC and the Singapore Government, the ultimate parent of STT is a co-owner of CICC.

We are all witnessing a “nesting doll arrangement” and an attempt to transfer wealth through fraudulent means and creation of wealth through fraudulent means, hence “**no due diligence**”.

There is an uprising among the Asia Global Crossing creditors to have that case converted to Chapter 7. That is also a strategy²⁴:

²⁴ http://www.internetnews.com/fina-news/article.php/10795_1502301 The agreement follows review and analysis of options available to Asia Global Crossing followed by a several-month sale process conducted by Lazard, Asia Global Crossing's financial advisor. **Salomon Smith Barney** is the financial advisor to the

Business - The Daily Deal

Asia Global faces creditor uprising
Mon Jun 9, 6:00 AM ET

by Chris Nolter

The unsecured creditors committee in Asia Global Crossing Ltd.'s bankruptcy case has launched a second attempt to wrest control of the proceedings from the debtor, asking a bankruptcy judge to convert the case to a Chapter 7 liquidation.

Pleadings by the committee point to recently disclosed consulting contracts that top management entered with Asia Netcom, which has purchased the debtor's assets. The committee notes that the executives will be paid hundreds of thousands of dollars by Asia Netcom while they are still on Asia Global Crossing's payroll.

The filings also assert that the debtor attempted to prevent public release of the contracts and only disclosed the terms when required by the U.S. Trustee three months after the agreement.

Asia Global Crossing and its lawyers could not be reached Friday, June 6.

In a letter to the office of the U.S. Trustee, the debtor's counsel described the management contracts as "typical in 'M&A' transactions" and said that the disclosure was made "in candid fashion" and "in an abundance of caution." The letter added that the agreements do not conflict with management's fiduciary duties.

The consulting agreement states that CEO Jack Scanlon receives a \$990,000 advance fee and will get \$82,500 a month for 12 months from Asia Netcom. General counsel Charles Carroll receives a \$400,000 fee and gets \$33,330 a month for two months. CFO Stefan Riesenfeld gets \$368,000 plus \$30,630 for two months.

consortium. The agreement was unanimously approved by the board of directors of Asia Global Crossing. The parties expect the Asia Netcom transaction to close during the first quarter of 2003.

The consulting services cover further restructuring efforts, regulatory work and creating a corporate governance model, among other matters.

The agreement became effective March 10, and the debtor disclosed the terms of the contracts June 2.

The committee noted that the motion to approve the sale agreement, which the court approved in January, states that "AGCL will disclose publicly such consulting agreements as soon as they are finalized."

Evan Flaschen of Bingham McCutchen LLP alleged in pleadings for the unsecureds that "failure to make timely disclosure of the terms of their consulting agreements constitutes fraud and dishonesty per se."

Judge Stuart Bernstein is scheduled to hear the request for Chapter 7 conversion June 10, the same day that Asia Global's disclosure statement will be presented for approval.

Failing a conversion to Chapter 7, the committee has asked that the court assign a Chapter 11 trustee to oversee the bankruptcy estate's liquidation.

The committee has previously argued that because Asia Global's assets have been sold, leaving just \$89.8 million in cash and a few members of management, recoveries could be more efficiently dispersed without the debtor's involvement.

The \$270 million sale to Asia Netcom, which included \$120 million to fund the new company, closed in March.

In May, the committee asked Bernstein to terminate Asia Global's exclusive period to file a reorganization plan. The creditors argued that the case could be more efficiently and inexpensively handled without the debtor. The judge denied the motion.

They just keep lining their pockets, snubbing their noses at the investing public,

the regulators, the law enforcement and the Courts. The above is part of the strategy to close off liability from being held accountable for what they have done.

**ARE THE NEW SPECIAL COUNSELS GREENBERG TRAURIG SEPARATED
FROM STEVEN J. GREEN?**

Not hardly and not by any stretch of the imagination.

Ms. Kimberly Green is the daughter of Steven J. and Dorothea Green and on the Council of 100²⁵ at the Florida International University. She is also part of The Green Family Foundation.²⁶

Ms. Kimberly Green
Foundation Director

Green Family Foundation
2601 South Bayshore Drive, #1775
Coconut Grove, FL 33133
Phone: (305) 858-2660
Fax: (305) 858-8195
E-mail:

On the Florida International University Foundation board of directors sit Mrs. Dorothea Green and Cesar L. Alvarez, the CEO of the law firm of Greenburg Traurig.

***FLORIDA INTERNATIONAL UNIVERSITY FOUNDATION
Board of Directors
2001-2002***

MEMBERS

*Cesar L. Alvarez
CEO & Managing Shareholder
Greenberg, Traurig, Hoffman, Lipoff,
Rosen & Quentel, P.A.*

*Dorothea Green
Director
Green Family Foundation*

Mr. Cesar L. Alvarez is the highest-ranking partner in the Greenberg Traurig law firm. Mrs. Dorothea Green of the Green Family Foundation is the wife of Steven J. Green. There is very little chance that they sit on this board together and do not know each other or have other points of contact.

²⁵ <http://www.fiu.edu/councilof100/members.html>

²⁶ <http://www.aegis.com/news/mh/2003/MH030204.html>

The Florida International University is the location of the Steven J. and Dorothea Green Library²⁷.

The point should not be lost on the Commission that with Mr. Green named personally in the class action stock fraud and ERISA fraud lawsuits, the “magnanimity” of the Green’s might be very seriously impaired in the future when Global Crossing verdicts are handed down. That same fate may await Mr. Brownstein as well.

Sufficient notice has been given this Commission that Steven J. Green is a paid representative of the Government of Singapore. That is a conflict in any matters concerning Global Crossing and any change of control to STT with its ultimate owner being the Government of Singapore. That was a fact that Applicant STT conveniently left out and did not disclose to this Commission of their own accord.

This Respondent has shown this Commission how they contrived a number so that there would not be an Official Equity Holders Committee²⁸ and have those parties in the room as they all discussed²⁹ how to cover up what had been done.

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.

- \$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. Our offer would distribute \$415 million and take a different approach to being equitable with creditors and shareholders and even the Ad Hoc Committee of Former Global Crossing employees that have lost their retirements in this fiasco.
- 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”. Our proposal would deal with the other non-insider classes of creditors in a far more equitable manner and even the other classes would receive 2 to 4 times as much under a five (5) year plan than offered by STT. The Creditors Committee has not addressed or evaluated that since it would entail due diligence and some people would be held accountable.

²⁷ http://www.greenff.org/gallery_library.shtml

²⁸ GlobalAxxess Response, May 26, 2003, page 13 of 69.

²⁹ 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.

- Not to be overlooked is management's desire to be patted on the back and have 8% of the Newco after they have wrecked the company, plundered the company, and now would survive their own "wreck" but all shareholders would be DOA upon entry of the Final Order.

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, 2003³⁰. Most of those subsidiaries may be hiding assets in a labyrinth of corporate shells in just such a "nesting-doll" arrangement. We all know now of Asia subsidiaries that were transferred to Asia Global Crossing about 6 months before the bankruptcy was filed and then Asia Global Crossing and Pacific Crossing enter bankruptcy to blow out the shareholders and leave the insiders with the billions of assets.

Distressed corporate debt is an easily manufactured product 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 companies³¹ has become common practice and can be done in ways that are difficult or impossible for the SEC to track or enforce. If DOJ and the FBI wanted to do something constructive for the American citizens, it should conduct a full investigation of what Wall Street did with those LTCM positions to their benefit and their "insider clients" and to the detriment of the American investing public.

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.

The credibility of our institutions are dangling by a thread and it is not the American citizens and American investors that are to blame for that. The institutions that purport to protect us, regulate to prevent abuses, have become either blind to reality or find it expedient to look the other way for the wealthy.

These people have gone to considerable lengths to defraud their investors and mislead this Commission, circumvent national security and even prudent regulatory oversight by this Commission. We trust that someone is paying attention and denies this change of control request as just being another step in a series of steps of fraudulent inducement and wrongfully enriching parties who do not deserve it.

Respectfully submitted,

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

Dated: June 12 2003

³⁰ See STT Application for Consent for Transfer of Control, Third Application, May 22, 2003.

³¹ See GlobalAxxess Response dated May 26, 2003, page 4, footnotes 2 and 3.

CERTIFICATE OF SERVICE

I, Karl W. B. Schwarz, hereby certify that on this 12th 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:

Qualex International
By E-mail: qualexint@aol.com

J. Breck Blalock
By E-mail: bblalock@fcc.gov

Susan O'Connell
By E-mail: soconnel@fcc.gov

Kathleen Collins
By E-mail: kcollins@fcc.gov

Elizabeth Yokus
By E-mail: eyokus@fcc.gov

Zenji Nakazawa
By E-mail: znakazaw@fcc.gov

Neil Dellar
By E-mail: ndellar@fcc.gov

John G. Malcolm
Deputy Assistant Attorney General
Criminal Division
United States Department of Justice
10th Street & Constitution Ave, N.W.
Washington, DC 20530
By Email

Patrick W. Kelley
Deputy General Counsel
Federal Bureau of Investigation
935 Pennsylvania Ave, N.W.
Washington, DC 20535
By Email

Debbie Goldman
Louise Novotny
Communications Workers of America
By E-mail: Debbie@cwa-union.org

ACN
Mr. Gerald Lederer
glederer@millervaneaton.com

ATTACHMENT 1

The Commission and other federal authorities will learn the connection between this list of WCG creditors and the Global Crossing matters over the next 30-90 days. WCG shareholders are bringing a RICO action and the fact issues in that case have considerable bearing on what is being witnessed and what is attempted to be covered up in the Global Crossing matters. The firms noted below in **bold type** are also Global Crossing creditors.

Counsel to the
Informal Noteholders'
Committee:

James Sprayregen, Esq.
KIRKLAND & ELLIS
200 East Randolph Drive
Chicago, Illinois 60601
Telephone (312) 861-2000
Fax (312) 861-2200

- and -

Richard L. Wynne, Esq.
KIRKLAND & ELLIS
777 South Figueroa Street
Los Angeles, California 90017
Telephone (213) 680-8400
Fax (213) 680-8006

Financial Advisors
to the Informal
Noteholders'
Committee:

Irwin N. Gold
HOULIHAN LOKEY HOWARD & ZUKIN
1930 Century Park West
Los Angeles, California 90067
Telephone (310) 553-8871
Fax (310) 553-4024

CG Investment Company, LLC
(a WCG affiliate)

Senior Redeemable Notes: \$551,000,000

CG Austria, Inc.

CG Austria, Inc., says it has no unsecured claims against it. CG Austria is a guarantor under the secured bank credit facility of its non-debtor affiliate Williams Communications, LLC. Approximately \$988 million is outstanding under the Credit Facility. CG Austria provides the Court with this list of creditors:

Bank of America, N.A.

Pete Joost
John Woodiel
Patrick G. Honey

Mickey McLean
Mail Code: TX1-492-66-01
901 Main Street, 66th fl
Dallas, Texas 75202

Banc of America Securities LLC
Steve Ayala
Kevan Corbett
James D. Jeffries
Peter M. Sherman
Elton R. Vogel III
Richard Arendale
NC1-007-07-03 and NC1-007-07-04
100 N. Tryon Street, 7th Fl
Charlotte , North Carolina 28255

Banc of America Securities LLC
Craig Kennedy
9 West 57th St., 22th Floor
New York, New York 10019

Citibank / SSMB
Citicorp USA Inc.
John Dorans
David Mode
250 West Street, 8th Floor
New York, New York 10013

Citigroup, Inc.
Christopher Teano
388 Greenwich St., 20th Floor
New York, New York 10013

Salomon Smith Barney Inc.
Christopher Blake
8700 Sears Tower
Chicago, Illinois 60606

Salomon Smith Barney Inc.
Timothy Freeman
John P. Judge
390 Greenwich Street
New York, New York 10013

JP MORGAN CHASE
JP Morgan Chase Securities, Inc.
Carlos E. Gomez
270 Park Avenue
New York, New York 10017

JP Morgan Chase Securities, Inc.
Houston Stebbins
James Stone
270 Park Avenue
New York, New York 10017

JPMorgan Chase Bank

Constance M. Coleman
270 Park Avenue, 37th Floor
New York, New York 10017

Lehman
Lehman Brothers Inc.
Larry Band
200 Vesey Street
New York, New York 10281

Lehman Brothers Inc.
Kenny Gunderman
D. Hetherington
Glenn Medwar
Alex Sade
200 Vesey Street
New York, New York 10281

Lehman Brothers Inc.
James (Jim) Seery
66 East 55th St., 17th Floor
New York, New York 10022

Lehman Commercial Paper Inc.
Thomas Bernard
66 East 55th St., 17th Floor
New York, New York 10022

Lehman Commercial Paper Inc.
c/o Lehman Brothers Inc.
Andrew Keith
Office 2533
425 Lexington Ave
New York, New York 10017

Lehman Commercial Paper Inc.
Alex Kirk
66 East 55th St., 17th Floor
New York, New York 10022

Merrill Lynch Asset Recovery Management
c/o McKinsey & Co.
Anthony J. Lafaire
55 E. 52nd Street, Room 2940
New York, New York 10055

Merrill Lynch Capital Corporation
Cecile Baker
95 Green Street
Jersey City, New Jersey 07302

Merrill Lynch Capital Corporation
Garrick Bernstein
North Tower, 250 Vesey Street
New York, New York 10281

Merrill Lynch Capital Corporation
c/o Global Leverag Finance Group
Carol J. E. Feeley
95 Green Street
Jersey City, New Jersey 07302-3815

Merrill Lynch Capital Corporation
Lex Maultsby
North Tower, 250 Vesey Street
New York , New York 10281

Merrill Lynch Capital Corporation
James Park
250 Vesey Street
New York, New York 10281

ABN AMRO Bank N.V.
Neil Bivona
David C. Carrington
Bryan J. Matthews
Steven Wimpenny
55 East 52nd Street
New York, New York 10055

Ark II CLO 2001-1, Limited
c/o Patriarch Partners II, LLC
William Enszer
Suite 700
112 South Tryon Street
Charlotte, North Carolina 28284

Bank Austria Creditanstalt Corporate Finance Inc.
c/o HypoVereinsbank
Peter Halter
150 East 42nd St., 29th Fl
New York , New York 10017

Bank One, N.A.
Henry Howe
1L10361
1 Bank One Plaza
Chicago , Illinois 60670

Bank of Montreal
Geoffrey R McConnell
Mary K Parsek
Special Accounts Management
115 S LaSalle St., 12 W
Chicago, Illinois 60603

Bank of New York
Julie Follosco
One Wall Street
New York, New York 10286

Bank of New York

George Malanga
Michael Masters
Brendan Nedzi
16th Floor
One Wall Street
New York, New York 10286

Bank of Oklahoma N.A.

Robert D. Mattax
BOK Tower 8 SE
One Williams Center
Tulsa, Oklahoma 74172

CIBC Inc.

Daniel Solomon
425 Lexington Avenue
New York, New York 10017

Cerberus Partners L.P.

Scott Cohen
450 Park Ave., 28th Floor
New York, New York 10022

Contrarian Funds LLC

c/o Contrarian Capital Management, L.L.C.
Mark Lee
Suite 225
411 West Putnam Ave.
Greenwich, Connecticut 06830

Credit Lyonnais

Sandra E. Horwitz
Steven Rich
Deborah Apfelbaum
Aldo Cicilia
Jeremy Horn
Doug Roper
Caryn Sandler
1301 Avenue of the Americas
New York, New York 10019

Credit Suisse First Boston

Neel Doshi
David Sawyer
David Sawyer
11 Madison Avenue, 5th Floor
New York, New York 10010

Deutsche Bank AG

Alexander Richarz
11 Madison Avenue, 10th Fl
New York , New York 10010

Deutsche Bank Securities Inc.

Anca Trifan
31 W. 52 St., 7th Floor
New York, New York 10019

First Union National Bank
Tom Bohrer
David Sawyer
Mark Cook
Brand Hosford
Daniel Epeneter
301 S College St.
Charlotte, North Carolina 28288

Fleet National Bank
Christine Gillis
Matthew Speh
Mail code: MA DE 1006A
100 Federal Street
Boston, Massachusetts 02110

Fuji Bank Ltd. (The)
Tammy Dalton
John Doyle
Natasha Kazmi
95 Christopher Columbus Drive, 17th Floor
Jersey City, New Jersey 07302

Hamilton CDO, Ltd.

c/o Stanfield Capital Partners LLC
Lisa Conrad
Elizabeth Mutton
330 Madison Avenue, 27th Floor
New York, New York 10017

IBM Credit Corporation
Steven A. Flanagan
North Castle Drive
Armonk, New York 10504-1785

IBM Credit Corporation
Bruce B. Gordon
Mail Stop NC317, office 3D-62C
North Castle Drive
Armonk, New York 10504

Industrial Bank of Japan Limited (The)
Roy Brubaker
Shiro Shiraishi
1251 Avenue of the Americas, 32nd Floor
New York, New York 10020

KBC Bank N.V.
Kyle Cruel
Filip Ferrante
Marquis One Tower, Peachtree Center
245 Peachtree Center Avenue, Suite 2550
Atlanta, Georgia 30303

KBC Bank N.V.
Maria Rodriguez
125 West 55th St.
New York, New York 10019

Merrill Lynch Global Allocation Fund, Inc.
c/o Merrill Lynch Investment Managers, L.P.
Lisa O'Donnell
800 Scudders Mill Rd., - Equity
Plainsboro, New Jersey 08536

Merrill Lynch Series Funds, Inc. Global Allocation
Strategy Portfolio
c/o Merrill Lynch Investment Managers, L.P.
Lisa O'Donnell
800 Scudders Mill Rd., - Equity
Plainsboro, New Jersey 08536

Merrill Lynch Variable Series Funds, Inc. Global
Allocation Focus Fund
c/o Merrill Lynch Investment Managers, L.P.
Lisa O'Donnell
800 Scudders Mill Rd., - Equity
Plainsboro, New Jersey 08536

Pacifica Partners I, L.P.
Dean Kawai
Suite 230
150 South Rodeo Dr
Beverly Hills, California 90212

Pequod Investments LP
Jon Gallen
450 Park Avenue 28th Floor
New York, New York 10022

R2 Top Hat, Ltd
c/o Mayer Brown Rowe & Maw
Nazim Zilkha
1675 Broadway
New York, New York 10019

Sankaty High Yield Asset Partners, L. P.
c/o Sankaty High Yield Asset Partners, L. P.
Diane Exter
111 Huntington Avenue
Boston, Massachusetts 02199

Sankaty High Yield Partners II, LP
c/o Sankaty Advisors, Inc.
Diane Exter
111 Huntington Avenue
Boston, MA 02199

ScotiaBank, Inc.
William Brown
Joe Lattanzi
600 Peachtree Street, N.E., Suite 2700
Atlanta, Georgia 30308

Standard Bank London Limited
Fiona Geoffroy
Cannon Bridge House, 25 Downgate Hill
London, UK EC4R 2SB

Stanfield Arbitrage CDO, Ltd.
c/o Stanfield Capital Partners LLC 6944495
Lisa Conrad
Elizabeth Mutton
330 Madison Avenue, 27th Floor
New York, New York 10017

Stanfield CLO Ltd.
c/o Stanfield Capital Partners LLC 6944495
Lisa Conrad
Elizabeth Mutton
330 Madison Avenue, 27th Floor
New York, New York 10017

Stanfield/RMF Transatlantic CDO, Ltd.
c/o Stanfield Capital Partners LLC 6944495
Lisa Conrad
Elizabeth Mutton
27th Floor
330 Madison Avenue
New York, New York 10017

Windsor Loan Funding, Limited
c/o Stanfield Capital Partners
Lisa Conrad
Elizabeth Mutton
330 Madison Ave., 27th Floor
New York, New York 10017

ATTACHMENT 2

MARCH 24, 2003
PREVIOUS NEWS ANALYSIS

Pentagon Pal Perle Gets GX Paycheck

Global Crossing Holdings Ltd. may be struggling to get past regulatory hurdles and bankruptcy, but the carrier also has some friends in some very high places ready to help get it out of the fix. Adding to the list of heavyweight lobbyists and advisors already on its payroll, Global Crossing recently retained Defense Policy Board chairman (and Donald Rumsfeld friend) Richard Perle. He is, according to a company spokesperson, providing advice on how to convince the U.S. Department of Defense to take down the national security barricades blocking a buyout that could enable the carrier to emerge from Chapter 11.

"Richard Perle is providing guidance to help us through the regulatory approval process in Washington, D.C.," says a Global Crossing spokesperson. "His policy expertise and advice is highly valued in advising Global Crossing on the various areas of public interest that impact the regulatory approval process in the U.S."

According to a source close to the company, Global Crossing is paying Perle a total of \$725,000. That sum includes a \$600,000 bonus if the government approves the Hutchison-STT deal. Global Crossing is seeking government approval of the sale of the company to Hong Kong-based Hutchison Whampoa Ltd. (Hong Kong: 0013 - message board) and Singapore Technologies Telemedia Pte. Ltd. (STT). A bankruptcy court judge approved the Asia duo's \$250 million bid for a 61.5 percent stake in the carrier last year, but the carrier still needs the blessing of the Federal Communications Commission (FCC) and the U.S. Treasury's Committee on Foreign Investment in the United States (CFIUS) (see Court OKs GlobalX Reorg Plan). While the FCC is expected to approve the plan soon, the CFIUS very likely won't. With opposition to the plan from the Defense Department, the Pentagon, and the Federal Bureau of Investigation (FBI), which claim that placing Global Crossing's 20,000-mile fiber-optic network under Chinese ownership could present a national security risk, some observers speculate that the Committee could block the sale altogether.

Others, however, think CFIUS will let the deal go through, but with several limitations, including requiring the carrier to give up some, if not all, of the contracts it holds with the U.S. government. "They may have government contracts that have to be abandoned," says Frank Dzubeck of Communications Network Architects. "You often see compromises like that taking place... I think it will go through with modifications."

Global Crossing has reportedly offered to place sensitive parts of its network under the control of a committee with national security clearance. No matter what concessions it makes, the carrier doesn't seem to expect the issue to be resolved anytime soon. According to reports, the company appealed for an extension to its March 31 deadline for approval. Global Crossing wouldn't comment on the matter beyond stating that it continues to cooperate with regulators.

While Global Crossing is keeping its fingers crossed in hopes that its new lobbying efforts will pay off, others are hoping they won't. Last month, New Jersey telecom group IDT Corp. made a rival \$255 million bid for the carrier, insisting that the close link between Hutchison founder Li Ka-Shing with Beijing poses a serious security threat. Global Crossing's creditors, however, reaffirmed their commitment to the Hutchison-STT deal earlier this month.

In view of Perle's substantial influence over policy decisions, a regulatory blessing could be closer than some observers expect.

Global Crossing already engages lobbyists Covington & Burling and Skadden, Arps, Slate, Meagher & Flom, LLP & Affiliates and has hired former secretary of state Henry Kissinger -- through his law firm, Kissinger McLarty Associates -- as an advisor, according to Global Crossing's bankruptcy filings.

But while the above certainly have significant clout, they can't touch Perle on influence with the current government. For someone who, among other things, has been credited with helping form

the policy that today has bombs pulverizing Baghdad, getting the DOD to go along with a small business deal should be a piece of cake.

Global Crossing insists that there is nothing out of the ordinary in engaging someone of Perle's stature to help it through the regulatory process. "It is common practice to engage expert legal counsel and regulatory advisors to provide guidance in matters involving government approvals," the company spokesperson says.

— Eugénie Larson, Reporter, *Light Reading*

ATTACHMENT 3

This Respondent has already shown this Commission the links between Global Crossing, Global Cable Systems and the purported buyer of Pacific Crossing³², Pivotal Private Equity³³ and Mr. Woog's conflict regarding Cable System Holdings, a Citigroup venture capital investment and prior deals involving IXNet and IPC.

What is elaborated on in footnote 33 below is a right that has been denied every bidder on Global Crossing assets. This was "granted" because they were selling it to an insider, Pivotal Private Equity. The SDNY bankruptcy court³⁴ has not been given the whole picture so it can make its decisions in anything other than a vacuum.

Now you know that IXNet Asia and IPC Asia were transferred to Asia Global Crossing on July 21, 2001. This Commission should strive to grasp what that transfer and what the Pivotal Private Equity move means in acquiring Pacific Crossing and how they are trying to go around regulatory approval and gain favor with China while undermining our national security.

Just before Citigroup became fully involved with Global Crossing in offshore shell games, the following is how Global Crossing Ltd, LDC was set up as both a Bermuda corporation and a Cayman Island corporation.

³² <http://www.smh.com.au/articles/2002/07/22/1027332344739.html>, Japan-US undersea cable goes broke, July 23 2002; "Pacific Crossing, an 85 per cent-owned subsidiary that holds the undersea cable linking Asia Global Crossing's regional telecommunications network to the US West Coast, voluntarily filed for Chapter 11 bankruptcy on Friday in Delaware. The subsidiary owes \$US703 million (\$1.27 billion) in limited-recourse senior secured debt to a consortium of 35 to 40 banks. Lead arrangers of the 1998 debt offering were **Goldman Sachs, Deutsche Bank and Canadian Imperial Bank of Commerce's CIBC World Markets**." (Note: All Global Crossing creditors and all wanting into the big game in China.)

³³ <http://www.abiworld.org/headlines/03Feb21.html>, **Pacific Crossing Gets Authorization To Examine Affiliates**; "A bankruptcy court on Thursday authorized Pacific Crossing Ltd. to examine documents and depose executives of Global Crossing Ltd. and Asia Global Crossing Ltd., Dow Jones reported. Pacific Crossing has said it needs information the two companies have regarding its customer contracts to sell its assets. Asia Global Crossing has an 85 percent stake in Pacific Crossing. Global Crossing is an affiliate of Asia Global Crossing. Chief **Judge Peter J. Walsh** of the U.S. Bankruptcy Court authorized the examination under Rule 2004 of the Bankruptcy Code, reported the newswire."

³⁴ <http://www.abiworld.org/headlines/03April7.html>, **Court OKs Settlement Between Asia Global, Global Crossing**; "A bankruptcy court has approved Asia Global Crossing Ltd.'s settlement with Global Crossing Ltd. that resolves all claims between the two firms, Dow Jones reported. Asia Global Crossing said in its motion from March 7 that the settlement is in its best interest because of the potential cost of litigation against Global Crossing. The deal was also necessary for Asia Global Crossing to close the recent sale of its assets, according to court papers recently obtained by Dow Jones Newswires. The entity engaged in the bankruptcy proceedings is still known as Asia Global Crossing after a sale of the company's assets, reported the newswire. **Judge Robert E. Gerber** of the U.S. Bankruptcy Court in Manhattan signed an order approving the settlement on Monday".

The Commission should note under the "Indemnification and Exculpation" section the degree of latitude to breach any form of corporate governance was set up even from the beginning.

Global Telesystems Holdings Ltd was the apparent predecessor of Cable System Holdings Ltd.

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
GLOBAL CROSSING LTD., LDC

January [], 1998

Global Telesystems Holdings Ltd., a Bermuda corporation and a wholly owned subsidiary of the Company ("GTH"), and the subsidiaries of GTH and the subsidiaries of GTH. All authority, including, without limitation, the election of directors, with respect to GTH and its subsidiaries shall be vested exclusively with the Board of Directors except as provided in the Stockholders Agreement.

INDEMNIFICATION AND EXCULPATION

27 (a) To the full extent permitted by law, the Company, out of the Company's assets and not out of the assets of any Member, shall indemnify and hold harmless the Manager, the Administrator and any partner, director, officer, employee or agent of the Manager and the Administrator, and/or the legal representatives or controlling persons of any of them and any employee or agent of the Company and each member of the board of Directors (herein collectively called the "Indemnified Persons"), from and against any loss, expense, judgment, settlement, fee and related expenses (including attorneys' fees and expenses), costs or damages suffered or sustained by reason of being or having been the Manager, the Administrator, an officer, partner, employee or agent (or a legal representative or controlling person of any of them) of them or any employee or agent of the Company or any member of the Board of Directors, or arising out of or in connection with action or failure to act on the part of such Indemnified Person unless such act or failure to act shall have been finally, judicially determined to have resulted from the

willful misconduct, bad faith or knowing violation of law of such Indemnified Person. The Company shall advance to any Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action or proceeding which arises out of conduct, which is the subject of the indemnification provided hereunder. Each Indemnified Person shall agree, as a precondition to any advance to such Indemnified Person as aforesaid, that in the event such Indemnified Person receives any such advance, such Indemnified Person shall reimburse the Company for such advance to the extent that it shall be finally judicially determined that such Indemnified Person was not entitled to indemnification under this Article.

(b) No Indemnified Person shall be liable to any Member or the Company for any act or failure to act on behalf of the Company, unless such act or failure to act shall have been finally, judicially determined to have resulted from the willful misconduct, bad faith or knowing violation of law of the Indemnified Person. Each Indemnified Person may consult with legal counsel and accountants in respect of Company affairs and shall be fully protected and justified in any action or inaction, which is taken in accordance with the advice or opinion of such counsel or accountants. Notwithstanding any of the foregoing to the contrary, the provisions of this subsection (b) shall not be construed so as to relieve (or attempt to relieve) any Indemnified Person of any liability, to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effect the provisions of this subsection (b) to the full extent permitted by law.

From the GTH bylaws:

"Company" means the company incorporated in **Bermuda** under the name of **Global Telesystems Holdings Ltd** on the 25th day of March, 1997;

"Parent" means the company incorporated in the **Cayman Islands** under the name of **GT Parent Holdings LDC**;

"CIBC" means CIBC Wood Gundy Securities Corp. or its Affiliates.

"CIBC Capital Equity Investment" means the purchase by CIBC Wood Gundy Capital (SFC) Inc. or one or more of its Affiliates of shares of Class C Common Shares of Parent representing 38.25% of the outstanding shares of voting Common Stock on the Closing Date for gross proceeds to Parent of at least \$33.75 million, which proceeds will be contributed to the Company on the Closing Date.

"Holdings" means **Global Telesystems Holdings Ltd., a Bermuda company**

"Parent" means **GT Parent Holdings LDC, a Cayman Islands limited**

"PCG" means **Pacific Capital Group, Inc.** or its Affiliates.

"PCG Common Equity Investment" means the issuance of shares of the Class B Common Shares of Parent representing 38.25% of the outstanding shares of voting Common Stock on the Closing Date for gross proceeds to Parent of at least \$33.75 million,

"Transaction" shall mean, collectively, (i) the entering into of the System Contracts for the purpose of establishing the Cable System, (ii) the PCG Common Equity Investment, (iii) the CIBC Capital Common Equity Investment, (iv) the purchase of the Preference Shares, (v) the Senior Notes Purchase Commitment, (vi) the issuance of the Investor Shares pursuant to the Escrow Agreement, if applicable, and the Additional Shares and the commitment to issue the Warrants pursuant to the Escrow Agreement, (vii) the execution of a commitment letter to provide for the Senior Credit Facilities and (viii) the execution of the Advisory Services Agreement.

"Transaction Documents" means the Preference Shares, the Purchase Agreement, the Notes, the Senior Note Purchase Agreement, the Senior Notes, the Senior Credit Facilities, the Advisory Services Agreement, the System Contracts, the Escrow Agreement and each agreement or instrument entered into in accordance with the foregoing and each other agreement or instrument entered into in accordance with the PCG Common Equity Investment, the CIBC Capital Common Equity Investment, the Investor Shares, the Additional Shares and the Warrants and each other agreement entered into in connection with the Transaction.

ATTACHMENT 4

May God help the Chinese to have the most heavily fined Wall Street firm opening the doors to China.

Chinese outward M&A: next year's big thing?

By Jeff Salway 22 November 2002

Is China Netcom's acquisition of Asia Global Crossing a leading indicator of what's to come?

On the face of it, Asia Global Crossing's (AGC) decision earlier this week to sell its assets and operations to a consortium led by China Netcom might be viewed as evidence that the advance of Chinese companies into overseas markets is gaining further momentum.

The deal is the latest in a series of tentative forays by Chinese companies into foreign territories, following a general post-deregulation pattern of Chinese companies internationalizing their operations through acquisitions of overseas assets or listings on foreign exchanges. Other recent transactions include the acquisition by CNOOC of oilfields in Indonesia (Repsol) and Australia, as well as Indonesian petroleum assets by PetroChina.

It is tempting to imagine the floodgates opening as Chinese companies pour overseas in pursuit of assets and alliances. However, given the opportunistic nature of the deal, it remains to be seen whether it is truly indicative of a sustainable trend towards real cross-border activity. The agreement could also be perceived as a timely attempt to bolster the international profile of China Netcom, following the IPO of China Telecom.

David Putnam, director at Salomon Smith Barney, advisor to the China Netcom consortium on the deal, suggests that this deal is "to some extent opportunistic but is also indicative of a growing willingness for Chinese companies to consider cross-border transactions as a legitimate component of their overall business development strategy."

He goes on to stress "although emerging PRC bandwidth demand helps justify this transaction in the longer term this is primarily a regional play, not a domestic one."

Others in the industry are inclined to concur with this analysis, edging towards the notion of this deal as being more opportunistic than part of a greater momentum. David Eastlake, ING's Head of M&A, believes that the coming months will see Chinese companies adopting more of a cautious stance with regards to venturing overseas, as opposed to leaping in en masse. Much is likely to depend on the success of recent deals.

"The Chinese market is so vast that few companies need to acquire assets from outside," says Eastlake. "When there is more movement, it is likely to be primarily within Asia, as it generally has been so far."

Like many, Eastlake asserts that the most significant impact on cross-border activity in the wake of recent developments in China will be on the sell-side. Foreign companies, particularly those in Europe, are looking towards China as a source of new and potentially economically priced opportunities. That the period of transition in China appears to have so far been relatively painless will only encourage this development.

Gordon Paterson, Head of M&A at Salomon Smith Barney Asia-Pacific, sees a more balanced picture, pointing out that with China starting from such a low level of cross-border M&A activity, the number of overseas acquisitions can only continue to gradually increase. Whilst the majority of these excursions will remain within Asia, Paterson adds, "there are industries - such as the resources sector - in which Chinese companies may need to make acquisitions outside the region to facilitate development."

The restructuring of AGC, worth over \$270 million, represents the first Chinese purchase of a foreign telecoms operator. It also concludes Asia Global Crossing's nine-month search for investors following the fall-out from its parent company Global Crossing's US bankruptcy filing in January this year.

China Netcom, the second largest fixed line company in China, will provide \$120 million in equity through a new entity named Asia Netcom, in which other investors are expected to include Newbridge Capital of the US and Japan's Softbank Asia International Fund. The group has also enabled Asia Global Crossing to secure a new \$150m credit facility to support the restructuring process.

There are still several obstacles to overcome before the transaction can be completed, with approval required from the US and Bermudan bankruptcy courts. David Putnam confirms, "the signing of the definitive agreement is a critical step but the process is far from over. We still have a number of stages to go through in the chapter 11 process before we can close the transaction." Putnam adds: "Nevertheless, the necessary measures are in place to give the deal the best chance of going through, although until then it is still feasible that other bids may come forward."

China Netcom formed as a result of the regional split of China's former fixed line monopoly, China Telecom, with Netcom operating in the north of the country. This represents about 30% of the network, with the other new company, also known as China Telecom, controlling the Southern regions. The acquisition of Asia Global Crossing's undersea network provides China Netcom with the capacity to develop its data communications service and subsequently the potential to make inroads into the valued corporate market.

For SSB, the accord represents their first M&A deal for a Chinese telecom and the beginning of a potentially productive relationship with China Netcom. A successful venture could give the bank an advantage when it comes to the mandate on any future Asia Netcom listing - and other Chinese telecoms transactions - although Putnam plays down the significance of this as a factor at this stage:

"An IPO is clearly a possibility in the future," he says. "Once the deal is closed the consortium's focus will be on helping management to build profitability. No doubt the investors will be open to the idea of an IPO at some later stage, but that is not a short-term objective."

Other advisors on the deal include Lazard, working for Asia Global Crossing, with legal representation provided by Kasowitz, Benson, Terres and Friedman LLP and Gibson, Dunn and Crutcher LLP. Legal advisor for China Netcom is Shearman and Sterling.

© Copyright FinanceAsia.com Ltd