

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

Chapter 11

ALLEGIANCE TELECOM, INC , et al.,

Case No 03-13057 (RDD)

Debtors

(Jointly Administered)

**ORDER APPROVING SETTLEMENT AGREEMENT RESOLVING
PLAN OBJECTIONS AND CERTAIN OTHER MATTERS
BETWEEN THE DEBTORS AND BELL SOUTH TELECOMMUNICATIONS INC**

The Debtors and BellSouth Telecommunications Inc (“BellSouth”) having resolved certain of BellSouth’s claims and BellSouth’s objections to confirmation of the Debtors’ Second Amended Joint Plan of Reorganization dated April 22, 2004 (the “Plan”) in accordance with the terms of the settlement agreement dated June 4, 2004 (the “BellSouth Settlement Agreement”), and upon approval of the Debtors’ motion dated June 4, 2004 authorizing the filing under seal of certain settlement agreements, including the BellSouth Settlement Agreement, and upon the *in camera* hearing held on June 7, 2004 to consider approval of the BellSouth Settlement Agreement, and after due deliberation and sufficient cause appearing therefore as set forth on the record by the Court, it is

ORDERED, that the BellSouth Settlement Agreement is hereby approved in its entirety

Dated June 8, 2004

/s/Robert D Drain
HONORABLE ROBERT D DRAIN
UNITED STATES BANKRUPTCY JUDGE

Docket # 1463

BELLSOUTH SETTLEMENT AGREEMENT

CONFIDENTIAL – SUBJECT TO BANKRUPTCY COURT ORDER

THE BELLSOUTH SETTLEMENT AGREEMENT HAS BEEN FILED UNDER SEAL

UNITED STATES BANKRUPTCY COURT <u>Southern</u> DISTRICT OF <u>New York</u>		PROOF OF CLAIM
Name of Debtor <u>Allegiance Telecom Inc.</u>		Case Number <u>03-13057</u>
REC'D JUN 16 2003		
NOTE This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 USC § 503.		
Name of Creditor (The person or other entity to whom the debtor owes money or property) <u>BellSouth Inc</u> <u>Sandra Cetti, Rm 9D24</u> <u>1025 Lenox Park Blvd</u> <u>Atlanta, GA 30319</u> <u>Phone 404-986-1905</u>		<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach a copy of statement giving particulars. <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.
Account or other number by which creditor identifies debtor		THIS SPACE IS FOR COURT USE ONLY
Check here if this claim <input type="checkbox"/> replaces a previously filed claim, dated _____ <input type="checkbox"/> amends		
1. Basis for Claim <input type="checkbox"/> Goods sold <input checked="" type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Taxes <input type="checkbox"/> Other _____ <input type="checkbox"/> Retiree benefits as defined in 11 USC § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (fill out below) Your SS # _____ Unpaid compensation for services performed from _____ to _____ (date) (date)		
2. Date debt was incurred <u>4-02 to 4-03</u>		3. If court judgment, date obtained.
4. Total Amount of Claim at Time Case Filed. \$ <u>2,000,000</u> If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.		
5. Secured Claim. <input checked="" type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff). Brief Description of Collateral <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other <u>Deposit</u> Value of Collateral \$ <u>1,074,000</u> Amount of arrearage and other charges at time case filed included in secured claim, if any \$ _____		6. Unsecured Priority Claim. <input type="checkbox"/> Check this box if you have an unsecured priority claim. Amount entitled to priority \$ _____ Specify the priority of the claim: <input type="checkbox"/> Wages, salaries, or commissions (up to \$4,300)* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier. 11 USC § 507(a)(3) <input type="checkbox"/> Contributions to an employee benefit plan. 11 USC § 507(a)(4) <input type="checkbox"/> Up to \$1,950* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 USC § 507(a)(6) <input type="checkbox"/> A money judgment or support owed to a spouse, former spouse, or child. 11 USC § 507(a)(7) <input type="checkbox"/> Taxes or penalties owed to governmental units. 11 USC § 507(a)(8) <input type="checkbox"/> Other. Specify applicable paragraph of 11 USC § 507(a)(____). <small>* Amounts are subject to adjustment on 4/1/01 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</small>
7 Credits. The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim. 8. Supporting Documents. Attach copies of supporting documents such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary. 9 Date-Stamped Copy. To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.		THIS SPACE IS FOR COURT USE ONLY
Date <u>5-28-03</u>	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any) <u>Ann Freye</u> <u>Ann Freye, Credit Manager</u>	
Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both.		

