

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re

Chapter 11

ALLEGIANCE TELECOM, INC , et al.,

Case No 03-13057 (RDD)

Debtors

(Jointly Administered)

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

The Debtors and SBC Telecommunications Inc as agent for Illinois Bell Telephone Company d/b/a SBC Illinois, Indiana Bell Telephone Company, Incorporated d/b/a SBC Indiana, Michigan Bell Telephone Company d/b/a SBC Michigan, Pacific Bell Telephone Company d/b/a SBC California, The Ohio Bell Telephone Company d/b/a SBC Ohio, Southwestern Bell Telephone, L P d/b/a SBC Texas and SBC Missouri and Wisconsin Bell, Inc d/b/a SBC Wisconsin (collectively, "SBC") having resolved certain of SBC's claims and SBC'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 as of June 5, 2004 (the "SBC Settlement Agreement"), and upon approval of the Debtors' motion dated June 4, 2004 authorizing the filing under seal of certain settlement agreements, including the SBC Settlement Agreement, and upon the *in camera* hearing held on June 7, 2004 to consider approval of the SBC Settlement Agreement, and after due deliberation and sufficient cause appearing therefore as set forth by the Court on the record, it is

Docket # 1464

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


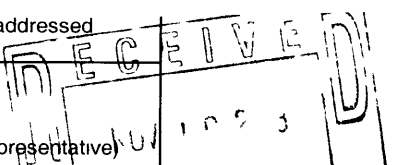
Dated June 8, 2004

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

**SBC SETTLEMENT AGREEMENT**

**CONFIDENTIAL – SUBJECT TO BANKRUPTCY COURT ORDER**

**THE SBC SETTLEMENT AGREEMENT HAS BEEN FILED UNDER SEAL**

<b>United States Bankruptcy Court Southern District of New York</b>		Chapter 11 <b>PROOF OF CLAIM</b>	
In re (Name of Debtor) <b>Allegiance Telecom, Inc</b>		Case number <b>03-13057</b>	
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 U.S.C. § 503. <b>FILED</b>			
Name of Creditor <i>(The person or other entity to whom the debtor owes money or property)</i> <b>SBC CALIFORNIA</b>		<b>U.S. BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK</b> <b>ALLEGIANCE TELECOM, INC</b> <b>03-13057 (TRD)</b>	
Name and address Where notices Should be Sent <b>SBC West ATTN: Bankruptcy Department P O BOX 981268 WEST SACRAMENTO CA 95851</b>		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 <input type="checkbox"/>	
Telephone No. <b>(800) 404-4474</b>			
ACCOUNT OR OTHER NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR <b>(SEE ATTACHED)</b>		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 (Describe briefly) _____ <input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (Fill out below) Your social security number _____ Unpaid compensation for services performed from _____ to _____ (date) (date)			
2 DATE DEBT WAS INCURRED <b>AS OF (05/14/03)</b>		3 IF COURT JUDGMENT DATE OBTAINED <b>REC'D NOV 19 2003</b>	
4 CLASSIFICATION OF CLAIM Under the Bankruptcy Code all claims are classified as one or more of the following: (1) Unsecured non-priority (2) Unsecured Priority (3) Secured. It is possible for part of a claim to be in one category and part in another. CHECK THE APPROPRIATE BOX OR BOXES that best describe your claim and STATE THE AMOUNT OF THE CLAIM AT TIME CASE FILED.			
<input type="checkbox"/> SECURED CLAIMS \$ _____ Attached evidence of perfection of security interest _____ Brief Description of Collateral _____ <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other (Describe Briefly) _____ Amount of arrearage and other charges at time case filed included in secured claim above. If any \$ _____		<input type="checkbox"/> Wages, salaries, or commissions (up to \$4000) * earned not more than 90 days before filing of the bankruptcy petition or cessation of the debtor's business whichever is earlier— 11 U.S.C. § 507(a)(3) <input type="checkbox"/> Contributions to an employee benefit plan— 11 U.S.C. § 507(a)(4) <input type="checkbox"/> Up to \$1,800 of deposits toward purchase, lease, or rental of property or services for personal, family, or household use— 11 U.S.C. § 507(a)(6) <input type="checkbox"/> Alimony, maintenance, or support owed to a spouse, former spouse, or child— 11 U.S.C. § 507(a)(7) <input type="checkbox"/> Taxes or penalties of government units— 11 U.S.C. § 507(a)(8) <input type="checkbox"/> Other—Specify applicable paragraph of 11 U.S.C. § 507(a)(1) _____ *Amounts are subject to adjustment on 4/1/98 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment	
UNSECURED NONPRIORITY CLAIM <b>\$45,984.75</b> <i>Additionally SBC California reserves all of its rights to setoff and contribution or otherwise as set forth in Section 553 of the United States Bankruptcy Code and as permitted under applicable state law.</i> A claim is unsecured if there is no collateral or lien on property of the debtor securing the claim or to the extent that the value of such property is less than the amount of the claim. <input type="checkbox"/> UNSECURED PRIORITY CLAIM Specify the priority of the claim _____			
TOTAL AMOUNT OF CLAIM			
AT THE TIME CASE FILED <b>\$45,984.75</b> (Unsecured)		<b>\$00.00</b> (Secured)	
		<b>\$00.00</b> (Priority)	
		<b>\$45,984.75</b> (Total)	
<input type="checkbox"/> Check this box if the claim includes charges in addition to the principal amount of the claim. Attach itemized statement of all additional charges.			
6 CREDITS AND SETOFFS The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim. In filing this claim, claimant has deducted all amounts that claimant owes to debtor.		THIS SPACE IS FOR COURT USE ONLY  01420	
7 SUPPORTING DOCUMENTS <i>Attach copies of supporting documents</i> such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, or evidence of security interests. If the documents are not available, explain. If the documents are voluminous, attach a summary.			
8 TIME 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.			
Date <b>11/04/03</b>	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)  <i>T Young</i> T Young (Bankruptcy Representative)		 CLAIMS PROCESSING CENTER USBC SDNY 1

**SBC/Pacific Bell Bankruptcy Information Sheet**

<u>Company Name</u>	<u>CH</u>	<u>Case #</u>	<u>File Date</u>
Allegiance Telecom, Inc	11	03-13057	05/14/03
	<u>Court</u>	<u>Southern Dist</u>	<u>Ssn #1</u>
	New York		<u>Tax ID</u>

Attorney Info **Frank A Oswald** (212) 594 5000

<u>B</u>	<u>R</u>	<u>Dep</u>	<u>Npa</u>	<u>Tel #</u>	<u>Cc</u>	<u>Stat</u>	<u>Disc</u>	<u>Final</u>
							<u>Date</u>	<u>Amt</u>
			065	141 5384	443	Final	08/29/03	\$2 365 84
			408	432 8954	511	Final	09/12/03	\$24 87
			213	488 0734	814	Final	08/14/03	\$1 110 71
			213	488 4995	816	Final	09/14/03	\$219 92
			213	629 4686	450	Final	08/17/03	\$1 890 08
			338	261 7770	379	Final	06/30/03	\$60 30
			909	391 3126	478	Final	09/12/03	\$541 36
			909	876 9600	197	Final	09/22/03	\$168 95
			323	658 7410	730	Arch	08/16/02	\$24 13
			339	258 1967	939	Final	04/08/02	\$41 21
			415	434 3154	776	Arch	08/16/02	\$0 00
			415	876 1108	989	Arch	08/16/02	\$0 00
			415	701 0674	560	Final	09/19/03	\$36 36
			510	532 7302	187	Final	09/12/03	\$0 00
			510	549 0493	755	Final	09/12/03	\$24 50
			510	595 0841	366	Final	09/12/03	\$55 04
			510	633 5769	002	Final	09/12/03	\$1 49
			619	260 0770	428	Final	09/12/03	\$50 11
			760	632 7040	832	Final	09/12/03	\$72 37
			858	292 7325	024	Final	09/12/03	\$28 60
			858	650 6990	872	Final	09/12/03	\$64 86
			858	974 4992	221	Final	09/12/03	\$468 07
			818	563 3963	472	Final	03/26/99	\$203 13
			818	576 9925	762	Final	03/15/99	\$108 16
			858	566 6721	854	Final	05/11/02	\$80 52
			858	581 1398	380	Final	05/04/01	\$0 00
			408	436 3012	662	Final	09/15/03	\$0 00
			510	663 5316	478	Final	09/12/03	\$0 00
			619	234 3043	465	Final	09/15/03	\$38 88
			858	678 0182	789	Final	09/12/03	\$4 95
			858	450 1571	735	Final	09/12/03	\$22 44
			858	658 0029	853	Final	09/12/03	\$85 60

858	678 9426	072	Final	09/12/03	\$2 71
858	720 1572	797	Final	09/12/03	\$0 00
415	453 7217	346	Final	09/12/03	\$155 64
714	775 9203	477	Final	05/11/01	\$70 86
949	498 7227	100	Final	05/10/01	\$25 22
323	357 9915	366	Final	07/08/02	\$47 00
310	649 2685	412	Final	09/12/03	\$333 59
858	270 7268	081	Final	08/28/01	\$232 55
714	433 2860	377	Final	09/12/03	\$889 37
339	259 8101	797	Final	09/12/03	\$219 54
510	262 0428	689	Final	06/17/02	\$0 00
338	261 8716	013	Final	04/09/03	\$0 00
331	258 1960	596	Final	04/11/03	\$245 58
065	161 2329	864	Final	09/03/03	\$31 969 59
714	636 6302	493	Final	06/25/02	\$0 00
323	658 7410	311	Final	03/26/99	\$209 87
408	991 9170	409	Final	09/15/03	\$267 62
858	573 0970	677	Final	09/15/03	\$16 22
650	364 6017	887	Final	07/08/02	\$0 00
650	578 1470	386	Final	07/08/02	\$0 00
650	692 9315	863	Final	07/08/02	\$0 00
714	368 9155	822	Final	08/28/02	\$0 00
714	368 9820	612	Final	06/25/02	\$0 00
714	424 0937	492	Final	05/28/02	\$0 00
714	437 7055	277	Final	07/24/02	\$0 00
714	641 7126	115	Final	06/25/02	\$0 00
714	288 8762	990	Final	08/16/02	\$0 00
714	633 4145	485	Final	06/25/02	\$0 00
714	633 4646	485	Final	05/02/01	\$42 50
714	870 4330	093	Final	06/26/02	\$1 39
858	278 7327	759	Final	08/28/02	\$0 00
858	569 6395	836	Final	08/28/02	\$0 00
858	259 9124	376	Final	07/10/02	\$0 00
925	680 0725	450	Final	06/17/02	\$0 00
949	587 1564	143	Final	06/25/02	\$0 00
949	631 6379	402	Final	07/30/02	\$0 00
949	756 0662	595	Final	09/15/03	\$29 85
949	752 6942	007	Final	08/20/02	\$0 00
949	756 2760	890	Final	08/16/02	\$0 00
949	852 9783	717	Final	07/03/02	\$0 00
858	459 0798	748	Final	06/25/02	\$0 00
760	752 7791	571	Final	05/28/02	\$0 00
760	839 5942	879	Final	06/25/02	\$0 00
714	854 0173	127	Final	08/06/02	\$0 00
415	383 2498	611	Final	08/16/02	\$0 00
650	991 7245	571	Final	07/08/02	\$0 00

619	258 1542	270	Final	06/25/02	\$0 00
714	821 8511	221	Final	08/16/02	\$0 00
714	952 1193	962	Final	06/25/02	\$0 00
714	994 5618	410	Final	06/17/02	\$0 00
949	653 8537	466	Final	05/24/02	\$0 00
323	869 9207	511	Final	09/11/02	\$0 00
626	398 7199	188	Final	07/08/02	\$0 00
714	418 1967	622	Final	06/25/02	\$0 00
714	775 9212	477	Final	08/16/02	\$0 00
949	643 0838	798	Final	06/25/02	\$0 00
415	693 0125	757	Final	09/15/03	\$28 77
626	446 0940	847	Final	07/08/02	\$0 00
909	272 4593	151	Final	06/25/02	\$0 00
909	782 8014	553	Final	06/25/02	\$0 00
323	982 0225	767	Final	07/30/02	\$0 00
949	498 7119	100	Final	06/25/02	\$0 00
818	248 6944	719	Final	08/28/02	\$0 00
510	235 7294	462	Final	08/28/02	\$0 00
510	523 6895	160	Final	05/24/02	\$0 00
510	530 9158	344	Final	06/26/02	\$0 28
510	558 1598	288	Final	06/17/02	\$0 00
510	785 1187	689	Final	06/17/02	\$0 00
925	551 7827	339	Final	06/17/02	\$0 00
925	820 5648	628	Final	06/27/02	\$0 06
510	623 9147	350	Final	06/17/02	\$0 00
925	461 7423	396	Final	06/17/02	\$0 00
510	733 6237	651	Final	06/17/02	\$0 00
510	795 0821	336	Final	05/24/02	\$0 00
310	426 9675	875	Final	08/28/02	\$0 00
650	917 1760	314	Final	06/25/02	\$0 00
760	436 7615	182	Final	06/25/02	\$0 00
818	759 5670	161	Final	07/08/02	\$1 20
530	669 3278	401	Final	06/17/02	\$0 00
916	393 2703	390	Final	06/17/02	\$0 00
916	334 4162	754	Final	06/28/02	\$0 03
916	369 9678	108	Final	06/20/02	\$0 40
916	441 7295	405	Final	07/11/02	\$0 03
916	485 5674	320	Final	07/02/02	\$0 04
916	961 3268	145	Final	06/17/02	\$0 00
213	353 9561	905	Final	07/30/02	\$0 00
323	298 1948	345	Final	07/30/02	\$0 00
310	845 9365	133	Final	08/30/02	\$0 30
805	955 0823	131	Final	07/30/02	\$0 00
818	563 2743	778	Final	08/20/02	\$0 00
310	831 2642	043	Final	07/30/02	\$0 00
323	234 7312	199	Final	07/30/02	\$0 00

909	688 3409	287	Final	06/25/02	\$0 00
562	531 8461	293	Final	07/08/02	\$0 00
619	477 4546	821	Final	06/25/02	\$0 00
619	477 9318	038	Final	08/16/02	\$0 00
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714	990 5169	192	Final	06/25/02	\$0 00
760	804 5863	837	Final	07/24/02	\$0 00
831	423 2076	832	Final	07/24/02	\$0 00
831	465 1691	556	Final	07/29/02	\$0 00
831	477 7183	894	Final	09/15/03	\$24 92
925	283 3108	986	Final	06/17/02	\$0 00
916	858 8608	049	Final	09/15/03	\$461 76
916	858 8650	268	Final	06/25/02	\$33 38
831	722 7318	185	Final	07/08/02	\$0 00
925	443 3874	070	Final	06/17/02	\$0 00
925	779 1634	594	Final	06/17/02	\$0 00
323	343 9391	761	Final	06/17/02	\$0 00
916	452 2763	681	Final	07/05/02	\$0 27
714	921 8025	899	Final	06/25/02	\$0 00
650	637 1934	156	Final	07/29/02	\$0 00
339	259 8123	074	Final	09/08/03	\$1 154 20
237	271 7268	308	Final	06/30/03	\$603 32
415	433 9907	591	Final	09/15/03	\$25 09
415	433 9925	630	Final	09/15/03	\$602 07
213	687 8356	559	Final	10/22/02	\$0 00
310	552 1567	959	Final	08/06/02	\$0 00
310	860 0533	489	Final	08/26/02	\$0 00
323	937 4083	758	Final	09/11/02	\$0 00
408	227 0303	464	Final	07/29/02	\$0 00
408	241 1903	351	Final	08/16/02	\$0 00
408	266 1689	767	Final	07/29/02	\$0 00
408	729 0580	092	Final	08/16/02	\$0 00
408	777 8420	338	Final	07/29/02	\$0 00
408	855 8567	949	Final	07/08/02	\$0 00
408	971 7135	098	Final	07/08/02	\$0 00
408	998 3225	372	Final	08/16/02	\$0 00
415	564 8042	713	Final	08/09/02	\$0 00
415	284 0698	727	Final	09/15/03	\$0 00
415	434 4696	208	Final	08/09/02	\$0 00
415	835 5975	500	Final	07/29/02	\$0 00
415	584 2672	015	Final	08/21/02	\$0 00
415	643 4956	755	Final	07/08/02	\$0 00
415	668 0251	747	Final	08/16/02	\$0 00
415	674 8108	994	Final	07/29/02	\$0 00
415	822 3899	826	Final	07/29/02	\$0 00
510	436 0201	578	Final	06/17/02	\$0 00



510	635 5109	279	Final	08/10/01	\$ 00
858	278 3684	990	Final	08/10/01	\$ 00
619	282 4754	069	Final	06/25/02	\$ 00
619	295 6754	064	Final	05/28/02	\$ 00
619	298 2538	890	Final	08/28/02	\$ 00
619	461 2261	142	Final	07/30/02	\$ 00
619	583 0443	232	Final	06/25/02	\$ 00
626	584 3991	829	Final	06/25/02	\$ 00
650	348 2673	979	Final	07/30/02	\$ 00
650	473 0312	497	Final	07/29/02	\$ 00
650	616 9380	079	Final	07/29/02	\$ 00
650	813 1491	419	Final	07/29/02	\$ 00
650	968 3573	879	Final	08/28/02	\$ 00
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714	772 7013	418	Final	06/25/02	\$ 00
760	439 6582	612	Final	06/25/02	\$ 00
818	576 9925	147	Final	08/20/02	\$ 00
818	703 8192	322	Final	08/16/02	\$ 00
818	376 0418	295	Final	07/08/02	\$ 00
818	989 0957	880	Final	08/16/02	\$ 00
858	566 8219	854	Final	07/10/02	\$ 00
858	581 2390	380	Final	08/07/02	\$ 22
925	932 2176	643	Final	06/17/02	\$ 00
619	425 5509	262	Final	06/25/03	\$ 00
619	440 4732	782	Final	05/24/02	\$ 00
760	758 4935	939	Final	06/25/02	\$ 00
858	451 2045	698	Final	06/25/02	\$ 00
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310	219 0961	238	Final	7/30/02	\$ 00
310	534 1758	592	Final	7/30/02	\$ 00
310	568 0516	357	Final	7/8/02	\$ 00
310	808 9165	714	Final	7/30/02	\$ 00
310	830 8732	740	Final	7/30/02	\$ 00
323	268 9122	610	Final	7/30/02	\$ 00
323	588 3297	372	Final	7/8/02	\$ 00
323	660 9597	955	Final	7/8/02	\$34 76
323	734 7269	570	Final	7/8/02	\$17 50
323	751 4906	055	Final	7/8/02	\$17 50
714	621 0448	726	Final	6/25/02	\$ 00
760	729 8213	304	Final	8/28/02	\$ 00
949	488 3185	081	Final	6/25/02	\$ 00
949	760 3804	398	Final	6/25/02	\$ 00
213	749 8969	224	Final	7/8/02	\$89 81
310	212 5206	364	Final	7/30/02	\$ 00
619	758 0967	319	Final	7/30/02	\$ 00

626	281 0133	091	Final	7/30/02	\$0 00
714	429 8700	357	Final	2/22/99	\$1 037 63
415	357 0860	440	Final	7/29/03	\$626 90

**Total**  
**\$45 984 75**