

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

PROOF OF CLAIM



CRDID 23178

In re
Allegiance Telecom Inc, et al., Debtors

Case Number
Chapter 11
Case No 03-13057 (RRD)

FILED
SOUTHERN DISTRICT OF NEW YORK
ALLEGIANCE TELECOM, INC
03-13057 (RRD)
2380

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.

Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Check box if you have never received any notices from the bankruptcy court in this case.

Check box if this address differs from the address on the envelope sent to you by the court.

If you have already properly filed a proof of claim with the Bankruptcy Court, you do not need to file again.

Name of Creditor and Address

03805890023178

JP MORGAN CHASE BANK
14201 DALLAS PKWY
DALLAS TX 75254

Creditor Telephone Number *(718) 242-7751*

CREDITOR TAX ID #
23-2869117

ACCOUNT OR OTHER NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR
DTC #902 Acct# P81620

Check here replaces or amends a previously filed claim dated _____ if this claim

1 BASIS FOR CLAIM

Goods sold
 Services performed
 Money loaned

Personal injury/wrongful death
 Taxes
 Other (describe briefly below)
Bondholder

Retiree benefits as defined in 11 U.S.C. § 1114(a)
 Wages, salaries, and compensation (Fill out below)

Your social security number _____
Unpaid compensation for services performed from _____ to _____ (date) (date)

REC'D
DEC 03 2003
BMC

2 DATE DEBT WAS INCURRED *7/13/01 8/23/01 1/13/03*

3 IF COURT JUDGMENT, DATE OBTAINED

4 TOTAL AMOUNT OF CLAIM AT TIME CASE FILED \$ *350,000 n/a* (unsecured) \$ _____ (secured) \$ _____ (unsecured priority) \$ *350,000 n/a* (total)

If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.

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 *n/a*

Check this box if your claim is secured by collateral (including a right of setoff).

Brief description of collateral

Real Estate
 Motor Vehicle
 Other _____

Value of collateral \$ _____

Amount of arrearage and other charges at time case filed included in secured claim above, if any \$ _____

6 UNSECURED PRIORITY CLAIM *n/a*

Check this box if you have an unsecured priority claim.

Specify the priority of the claim

Wages, salaries, or commissions (up to \$4,650) earned within 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)

Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(4)

Up to \$2,100* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(6)

Alimony, maintenance, or support owed to a spouse, former spouse, or child. 11 U.S.C. § 507(a)(7)

Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8)

Other. Specify applicable paragraph of 11 U.S.C. § 507(a) _____

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.

REC'D
DEC 03 2003
BMC

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 your claim, please enclose a self-addressed stamped envelope and an additional copy of this proof of claim.

The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is received on or before 5:00 p.m., November 26, 2003, Prevailing Eastern Time.

BY MAIL TO United States Bankruptcy Court
Southern District of New York
Allegiance Claims Docketing Center
Bowling Green Station, P.O. Box 95
New York, NY 10274-0095

BY HAND OR OVERNIGHT DELIVERY TO United States Bankruptcy Court
Southern District of New York
Allegiance Claims Docketing Center
One Bowling Green, Room 534
New York, NY 10004-1408

THIS SPACE FOR COURT USE ONLY

NOV 26 2003

GOENITZ

Allegiance Claim

DATE SIGNED
11/25/03

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)

[Signature]

Penalty for presenting fraudulent claim is a fine of up to \$500,000 or imprisonment for up to 5 years or both. 18 U.S.C. §§ 152 AND 3571



See Other Side For Instructions

Delaware Group of Funds
 REPORT # R507A2

A FV 1 - HIGH-YIELD OPPORTUNITIES
 SECURITY LEDGER REPORT
 ONE ACCOUNT/ONE CUSIP
 FROM 1-01-02 TO 11-25-03

HYLDOPP SYS DATE 11-25-03 PAGE 1
 DWYER RUN DATE 11-25-03 TIME 15 04
 CUT OFF DATE 11-25-03

01747TAC6 ALLEGIANCE TELECOM SERIES B		L	11 7500	02-15-2008	US Dollar		210TC		
UNIQUE IDENTIFIER	TRADE DATE	SETTLE DATE	TRAN CODE	QUANTITY/ PAR VALUE	PRICE/ COST/RATE	COST	PROCEEDS	REALIZED GAIN/LOSS-	INCOME/ XCURR-ADJ
2001082402HV0001	12-31-01		BALANCE FWD	490 000	57 8724	283 575 00	532 000 00	12 000 00-	0 00
2002042902SX0001	4-26-02	5-01-02	SEL	20 000-	19 0000	11 650 00-	3 800 00	7 850 00-S	
	2001070502NP0001		7-03-01						
	4-26-02		CUR BALANCE	470 000	57 8564	271 925 00	535 800 00	19 850 00-	0 00
2002062002XK0001	6-19-02	6-24-02	SEL	130 000-	11 0000	75 725 00-	14 300 00	61 425 00-S	
	2001070502NP0001		7-03-01						
2002062002XK0002	6-19-02	6-24-02	SEL	105 000-	11 0000	59 850 00-	11 550 00	48 300 00-S	
	2001071902SX0001		7-18-01						
	6-19-02		CUR BALANCE	235 000	58 0213	136 350 00	561 650 00	129 575 00-	0 00
2003011402Z90001	1-13-03	1-16-03	B	115 000	18 2500	20 987 50			
	1-13-03		CUR BALANCE	350 000	44 9536	157 337 50	561 650 00	129 575 00-	0 00
2003081500N60001	8-15-03	8-15-03	IP	175 000					10 281 25
2003081500N60002	8-15-03	8-15-03	IP	60 000					3 525 00
2003081500N60003	8-15-03	8-15-03	IP	115 000					6 756 25
200309234HRQ0001	8-15-03	8-15-03	IP	175 000					10 281 25-
200309234HRQ0002	8-15-03	8-15-03	IP	60 000					3 525 00-
200309234HRQ0003	8-15-03	8-15-03	IP	115 000					6 756 25-
	8-15-03		CUR BALANCE	350 000	44 9536	157 337 50	561 650 00	129 575 00-	0 00
REPORT TOTAL				350 000 0000			561 650 00	129 575 00-	
						157 337 50		129 575 00-	

END OF REPORT

Delaware Group of Funds
 REPORT # R104Q2

A FV 1 - HIGH-YIELD OPPORTUNITIES
 TAX LOT INVENTORY FILE PRINT
 ONE CUSIP/BASE/ORIGINAL COST/BY CURRENCY CUSIP TRADE DATE
 AS OF 11-25-03

HYLDOPP SYS DATE 11-25-03 PAGE 1
 DWYER RUN DATE 11-25-03 TIME 14 59

CUSIP #	UNIQUE IDENTIFIER	T Y P	SECURITY DESCRIPTION	L - S	ORIGINAL FACE VALUE	TRADE DATE	QUANTITY/ PAR VALUE	UNIT COST	TOTAL COST
US Dollar									
01747TAC6	2001071902SX0001	B	ALLEGIANCE TELECOM SERIES B L	L		7-18-01	175 000	57 0000	99 750 00
			11 7500% 02-15-2008						
	2001082402HV0001	B		L		8-23-01	60 000	61 0000	36 600 00
	2003011402Z90001	B		L		1-13-03	115 000	18 2500	20 987 50
			01747TAC6 TOTAL - L	L			350 000	44 9536	157 337 50
			ACCOUNT TOTALS-L				350 000		157 337 50
	SECURITY TYPE SUMMARY								
		B BOND	TOTAL -L	L			350 000		157 337 50

END OF REPORT

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

**In re. Allegiance Telecom, Inc , et al
Case No 03-13057-(RDD)-11**

DOCUMENTS APPENDED TO CLAIM

On August 19, 2005, document(s) were appended to Claim Numbers **366, 452, 453, 454, 455, 456, 457, 458, 466, 2556, 2557, 2558, 2559, and 2598** for the following reason(s)

- Stipulation/Order
- New Supporting Documents
- Change of Address
- Stipulation and Order
- Other Docket Number 2272 EOD 8/22/05

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

_____ X
In re
Allegiance Telecom, Inc , et al , Chapter 11 Case No
03-13057 (RDD)
Debtors Jointly Administered
_____ X

**STIPULATION AND AGREED ORDER RESOLVING CLAIMS OF
JPMORGAN CHASE BANK**

THIS STIPULATION AND AGREED ORDER is by and between the Allegiance Telecom Liquidating Trust (the “ATLT”) and JPMorgan Chase Bank, N A , known prior to November 13, 2004 as JPMorgan Chase Bank (the “Claimant”) The parties hereby stipulate and agree as follows

I GENERAL BACKGROUND

WHEREAS, on May 14, 2003, Allegiance Telecom, Inc (“ATI”) and its direct and indirect subsidiaries (collectively, the “Debtors”) commenced voluntary cases (the “Chapter 11 Cases”) under Chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the Bankruptcy Court for the Southern District of New York, Case No 03-13057 (RDD) (the “Bankruptcy Court”), and

WHEREAS, Chapter 11 Cases were consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and

WHEREAS, on June 8, 2004, the Debtors filed their Third Amended Joint Plan of Reorganization (the “Plan”) with the Bankruptcy Court and the Bankruptcy Court entered its Findings of Fact, Conclusions of Law, and Order Confirming Debtors’ Third Amended Joint Plan of Reorganization

D# 2272

on June 10, 2004, and

WHEREAS, on June 23, 2004, the Plan went effective for certain Debtors (the “Initial Effective Date”), and

WHEREAS, in accordance with the terms of the Plan, on the Initial Effective Date, the ATLT was created, and

WHEREAS, pursuant to the Plan, Eugene I Davis was appointed as the plan administrator (the “Plan Administrator”) for the ATLT, and

WHEREAS, the purpose of the ATLT is to, among other things, (i) wind-down the Debtors’ affairs, including making distributions as contemplated in the Plan, (ii) investigate, enforce and prosecute avoidance and other causes of action, (iii) object to, settle, compromise, dispute and/or prosecute disputed claims, and (iv) administer the Plan and take such actions as are necessary to effectuate the terms of the Plan, and

II THE JPMORGAN CHASE BANK CLAIMS

1 The Six Proofs of Claim

WHEREAS, on or about September 8, 2003, the Claimant filed the following proofs of claim against the Debtors (the “Six Proofs of Claim”)

(1) proof of claim numbered 454 against ATI in the amount of \$3,000,000 for a contingent, secured claim related to a letter of credit numbered #D 236916 (the “Worldcom LC”) that was issued for the benefit of Worldcom, Inc (the “Worldcom Proof of Claim”),

(2) proof of claim numbered 455 against ATI in the amount of \$300,000 for a contingent, secured claim related to a letter of credit numbered #D 237320 (the “Tresnowski LC”) that

was issued for the benefit of Mark Tresnowski (the "Tresnowski Proof of Claim"),

(3) proof of claim numbered 456 against ATI in the amount of \$250,000 for a contingent, secured claim related to a letter of credit numbered #D 237319 (the "Joseph LC") that was issued for the benefit of Kevin Joseph (the "Joseph Proof of Claim"),

(4) proof of claim numbered 457 against ATI in the amount of \$115,000 for a contingent, secured claim related to a letter of credit numbered #D 237321 (the "Dumbleton LC") that was issued for the benefit of John Dumbleton (the "Dumbleton Proof of Claim"),

(5) proof of claim numbered 458 against ATI in the amount of \$656,000 for a contingent, secured claim related to a letter of credit numbered #D 237318 (the "Holland LC") that was issued for the benefit of Royce Holland (the "Holland Proof of Claim"),

(6) proof of claim numbered 466 against ATI in the amount of \$500,000 for a contingent, secured claim related to a letter of credit numbered #D 237331 (the "Yost LC") that was issued for the benefit of C Daniel Yost (the "Yost Proof of Claim"), and

WHEREAS, the Worldcom LC was secured by a certificate of deposit of Allegiance Telecom Company Worldwide ("ATCW") numbered #08806351357 (the "Worldcom CD") in the amount of \$3,000,000 that was issued on April 25, 2003 with an initial maturity date of April 25, 2004 that was thereafter renewed from time-to-time, and

WHEREAS, the Tresnowski LC was secured by a certificate of deposit of ATCW numbered #08806351373 (the "Tresnowski CD") in the amount of \$300,000 that was issued on May 7, 2003 with an initial maturity date of May 7, 2004 that was thereafter renewed from time-to-time, and

WHEREAS, the Joseph LC was secured by a certificate of deposit of ATCW numbered

#08806351399 (the "Joseph CD") in the amount of \$250,000 that was issued on May 7, 2003 with an initial maturity date of May 7, 2004 that was thereafter renewed from time-to-time, and

WHEREAS, the Dumbleton LC was secured by a certificate of deposit of ATCW numbered #08806351381 (the "Dumbleton CD") in the amount of \$115,000 that was issued on May 7, 2003 with an initial maturity date of May 7, 2004 that was thereafter renewed from time-to-time, and

WHEREAS, the Holland LC was secured by a certificate of deposit of ATCW numbered #08806351365 (the "Holland CD") in the amount of \$656,000 that was issued on May 7, 2003 with an initial maturity date of May 7, 2004 that was thereafter renewed from time-to-time, and

WHEREAS, the Yost LC was secured by a certificate of deposit of ATCW numbered #08806351407 (the "Yost CD") in the amount of \$500,000 that was issued on May 7, 2003 with an initial maturity date of May 7, 2004 that was thereafter renewed from time-to-time, and

WHEREAS, as of the date herein, none of the Tresnowski LC, Joseph LC, Dumbleton LC, Holland LC and Yost LC have been drawn, and

WHEREAS, the Worldcom LC was drawn on February 24, 2004, in the amount of \$1,404,295 77 and on April 28, 2004, in the amount of \$1,595,704 23, and

WHEREAS, on or about December 14, 2004, the ATLT filed its Seventeenth Omnibus Objection to Certain Proofs of Claim, which sought to disallow and expunge the Six Proofs of Claim, and

WHEREAS, on January 25, 2005, the Bankruptcy Court signed an Order granting the Seventeenth Omnibus Objection to Certain Proofs of Claim with respect to, among other things, the Six Proofs of Claim, and

WHEREAS, the ATLT directed its claims agent to expunge the Six Proofs of Claim from the claims register, and

WHEREAS, on May 7, 2004, the Claimant returned all of the proceeds of the Tresnowski CD, Joseph CD, Dumbleton CD, Holland CD and Yost CD to the ATLT to the extent of the amount of \$1,838,412 91, and

WHEREAS, on November 8, 2004, the Claimant returned the proceeds of the Worldcom CD to the ATLT to the extent of the amount of \$16,132 60, and

2 The Touchstone Claim

WHEREAS, on or about September 10, 2003, the Claimant filed a proof of claim numbered 452 against Allegiance Telecom, Inc in the amount of approximately \$125,000 for a contingent, unliquidated and secured claim related to a letter of credit numbered #D 214463 (the "Touchstone LC") that was issued for the benefit of Touchstone 111-302, LLC (the "Touchstone Proof of Claim"), and

WHEREAS, the Touchstone LC was secured by a certificate of deposit of ATI in the amount of \$125,000 numbered #08805202510 (the "Touchstone CD") issued on June 6, 2001 with initial maturity date of June 6, 2002 and thereafter renewed from time-to-time, and

WHEREAS, on or about January 14, 2005, the Touchstone LC was fully drawn down by the beneficiary thereof, and

WHEREAS, principal of \$125,000, accrued interest thereon of \$5,658 62 and a \$150 transaction fee will be due and owing to the Claimant on September 7, 2005 for a total of \$130,808 62 (the "Touchstone Claim Amount"), and

WHEREAS, on or about March 28, 2005, the ATLT filed its Motion of the Allegiance

Telecom Liquidating Trust for Order Under Sections 105(a) and 502(c) of the Bankruptcy Code
Estimating Certain Claims for the Purpose of Establishing a Disputed Claims Reserve in Connection With
Making Initial Distributions (the “Estimation Motion”), seeking to estimate the Touchstone Proof of Claim
at an exact liquidated amount of \$125,000, and

WHEREAS, the Touchstone CD matures on September 7, 2005 in the amount of
\$135,778 47, and

WHEREAS, on September 7, 2005, the balance of the Touchstone CD will exceed the
Touchstone Claim Amount by \$4,969 85, and

3 The Hartford Claim

WHEREAS, on or about September 8, 2003, the Claimant filed a proof of claim numbered
453 against ATI in the amount of approximately \$3,000,000 for a contingent, partially unliquidated and
secured claim related to a letter of credit numbered #D 234442 (the “Hartford LC”) that was issued for
the benefit of Hartford Fire Insurance Company (the “Hartford Proof of Claim”), and

WHEREAS, the Hartford LC was secured by a certificate of deposit of ATCW numbered
#08806351282 (the “Hartford CD”) in the amount of \$3,000,000 that was issued on January 1, 2003
with initial maturity date of January 1, 2004 that was thereafter renewed from time-to-time, and

WHEREAS, on or about March 28, 2005, the ATLT filed the Estimation Motion, seeking to
estimate the Hartford Proof of Claim at \$0, and

WHEREAS, as of the date herein, the Hartford LC has not been drawn, and

WHEREAS, on or about August 9, 2005, the Bankruptcy Court entered an order approving a
stipulation (the “Hartford Stipulation”) between the ATLT and Hartford Fire Insurance Company (the

“Hartford”), and

WHEREAS, pursuant to the Hartford Stipulation, the ATLT anticipates the Hartford “will return the Letter of Credit to the Issuing Bank along with a letter from Hartford to the Issuing Bank releasing any and all rights to, claim against, or interest in the Letter of Credit by written notice to the Issuing Bank” (Hartford Stipulation at p 4) on or about August 24, 2005, and

WHEREAS, the Hartford CD will mature on August 19, 2005 in the amount of \$3,073,119 51, and

4 The Purchase Card Claim

WHEREAS, on or about August 28, 2003, the Claimant filed a proof of claim numbered 396 against ATI and ATCW as a secured claim in the amount of \$162,657 32 (the “Purchase Card Proof of Claim”) related to a master agreement between ATCW and Chase Manhattan Bank USA, National Association dated May 15, 2002 and entitled “Chase Commercial Card Program” (the “Master Agreement”), and

WHEREAS, ATCW’s obligations under the Master Agreement were collateralized by a certificate of deposit numbered #08806351175 (the “Purchase Card CD”) in the amount of \$400,000 that was issued on or about October 7, 2002 and thereafter renewed from time-to-time, and

WHEREAS, subsequent to the Petition Date, ATI incurred charges under the Master Agreement which remain unpaid, and after review and agreement by and between the Claimant and the ATLT, principal and accrued interest totaling \$224,035 20 is due and owing to the Claimant as of the date herein (the “Purchase Card Claim Amount”), and

WHEREAS, the Purchase Card CD will mature on August 18, 2005 in the amount of

\$409,455 69, and

WHEREAS, the balance of the Purchase Card CD will exceed the Purchase Card Claim Amount by \$185,420 49 as of August 18, 2005, and

WHEREAS, on or about March 28, 2005, the ATLT filed the Estimation Motion, seeking to estimate the Purchase Card Proof of Claim at \$0, and

5 The Guaranty Bank Claim

WHEREAS, the Claimant issued a letter of credit numbered #D-242212 in the amount of \$800,000 00 on October 20, 2003 for the benefit of Guaranty Bank, as beneficiary (the “Guaranty Bank LC”), and

WHEREAS, the Guaranty Bank LC was collateralized by ATI’s certificate of deposit numbered #08806351522 (the “Guaranty Bank CD”) in the amount of \$840,000 that was issued on or about October 17, 2003 and thereafter renewed from time-to-time, and

WHEREAS, Section 1 4 of Article I of the Plan established the “Administrative Expense Claim Bar Date” as “the date that is the forty-fifth (45th) day after the Initial Effective Date,” which was August 7, 2004, and

WHEREAS, as of the date herein, the Claimant has not filed a proof of or request for an administrative expense claim regarding the Guaranty Bank LC, and

WHEREAS, on or about October 14, 2004, the Guaranty Bank LC was fully drawn by the beneficiary thereof, and

WHEREAS, principal of \$800,000, accrued interest thereon of \$48,409 11 and a \$150 transaction fee will be due and owing to the Claimant on September 12, 2005 for a total of \$848,559 11

(the "Guaranty Bank Claim Amount"), and

WHEREAS, the Guaranty Bank CD will mature on September 12, 2005 in the amount of \$846,893.13, and

WHEREAS, the balance of the Guaranty Bank Claim Amount will exceed the Guaranty Bank CD by \$1,665.98 as of September 12, 2005, and

6 The Bond Claims

WHEREAS, the Claimant filed proofs of claim numbered 2556, 2557, 2558, 2559 and 2598 regarding claims relating to bonds (the "Bond Proofs of Claims"), and

III RESOLUTION OF CLAIMS

WHEREAS, the Claimant has not filed any proofs of claim in the Chapter 11 Cases other than the Six Proofs of Claim, the Touchstone Proof of Claim, the Hartford Proof of Claim, the Purchase Card Proof of Claim and the Bond Proofs of Claims, and

WHEREAS, the ATLT disputes the amounts sought by Claimant in the Touchstone Proof of Claim, the Hartford Proof of Claim and the Purchase Card Proof of Claim, and

WHEREAS, the ATLT and the Claimant have negotiated in good faith at arm's length and have reached a consensual resolution, as set forth below, with respect to (a) the Touchstone Proof of Claim, (b) Purchase Card Proof of Claim, (c) the Hartford Proof of Claim and (d) the Guaranty Bank LC to avoid incurring significant additional litigation expenses that would necessarily be incurred in litigating these matters to uncertain conclusions

ACCORDINGLY, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS

1 For the purposes of this Stipulation and Agreed Order, the term "Final Order" shall

mean an order approving this Stipulation and Agreed Order that has not been stayed, reversed or amended and the time, as computed under the Bankruptcy Rules, to appeal or seek review or rehearing of such order (or any revision, modification or amendment thereof) has expired and no appeal or petition for review or rehearing of such order was filed, or if filed, remains pending

2 Upon the entry of a Final Order approving this Stipulation and Agreed Order (also referred to hereafter as the "Final Order"), (a) the Claimant will be authorized to apply or setoff

- (i) the Touchstone CD to or against the Touchstone Claim Amount,
- (ii) the Purchase Card CD to or against the Purchase Card Claim Amount,
- (iii) the Guaranty Bank CD to or against the Guaranty Bank Claim Amount, and
- (iv) the excess of the Guaranty Bank Claim Amount over the Guaranty Bank CD to or against the Touchstone CD,

and (b) Claimant shall pay to the ATLT via wire transfer, pursuant to the wire transfer instructions attached hereto as Exhibit A, the amount of

- (i) \$185,420 49, as detailed in Exhibit B, by the later of August 24, 2005, or three business days following the entry of a Final Order and receipt of notice of entry of the Final Order by the Claimant,
- (ii) \$3,073,119 51, as detailed in Exhibit B, by the later of (A) three business days following receipt by the Claimant of the original Hartford LC and accompanying release from the Hartford, as detailed in the Hartford Stipulation and (B) three business days following the entry of a Final Order and receipt of notice of entry of the Final Order by the Claimant, and

(iii) \$3,303 87, as detailed in Exhibit B, by the later of (A) September 9, 2005 and (B) three business days following the entry of a Final Order and receipt of notice of entry of the Final Order by the Claimant

3 Upon the entry of the Final Order, the ATLT is hereby authorized and directed to expunge the Touchstone Proof of Claim, the Hartford Proof of Claim and the Purchase Card Proof of Claim from its claims register

4 In consideration for entering into this Stipulation, the Claimant, on behalf of itself and its affiliates, hereby irrevocably, unconditionally and without reservation of any kind waives, releases and forever discharges the ATLT, the Debtors, and the Debtors' estates, and their respective parent firms and affiliates, and their officers, directors, employees, attorneys, professionals, and agents (collectively, the "Estate Parties") from and against any and all past, present and future actions, causes of action, claims, liabilities, suits, debts, judgments, and damages, of any kind whatsoever, whether matured or unmatured, whether at law or in equity, whether known or unknown, liquidated or unliquidated, foreseen or unforeseen, discoverable or undiscoverable, contingent or non-contingent, which Claimant and/or its affiliates have, had, or may have in the future against the Estate Parties, provided, however, that such waiver, release and discharge shall exclude the Bond Proofs of Claims

5 As of the date hereof, the Claimant agrees not to file any proofs of claim, motions or requests for the payment of administrative expenses against the ATLT, the Debtors, or the Debtors' estates, whether in the Chapter 11 Cases or otherwise

6 This Stipulation and Agreed Order shall be governed by New York law, excluding its conflicts of laws principles, and this Court shall retain jurisdiction to resolve any disputes between the

parties arising with respect to this Stipulation and Agreed Order

7 The undersigned on behalf of the ATLT and Claimant each represents and warrants that he or she has been duly authorized and empowered to execute and deliver this Stipulation and Agreed Order on behalf of such party Claimant represents and warrants to the ATLT that, as of the date hereof, it is the sole holder of all Claims against the Debtors, the Debtors' estates and the ATLT related to the Guaranty Bank LC, Worldcom Proof of Claim, Tresnowski Proof of Claim, Joseph Proof of Claim, Dumbleton Proof of Claim, Holland Proof of Claim, Yost Proof of Claim, Touchstone Proof of Claim, Hartford Proof of Claim and Purchase Card Proof of Claim Claimant further represents and warrants to the ATLT that, as of the date hereof, it has not assigned, sold, or otherwise transferred any Claims against the Debtors, the Debtors' estates or the ATLT related to the Guaranty Bank LC, Worldcom Proof of Claim, Tresnowski Proof of Claim, Joseph Proof of Claim, Dumbleton Proof of Claim, Holland Proof of Claim, Yost Proof of Claim, Touchstone Proof of Claim, Hartford Proof of Claim and Purchase Card Proof of Claim Claimant further represents and warrants that it has had an opportunity to consult with its own attorney and fully understands the meaning of the provisions in this Stipulation and Agreed Order, including, but not limited to, the releases included herein

8 This Stipulation and Agreed Order is subject to approval by the Bankruptcy Court and the entry of a Final Order by the Bankruptcy Court, provided, however, that the parties shall support such Bankruptcy Court approval and comply with this Stipulation and Agreed Order pending the Bankruptcy Court's entry of a Final Order approving or disapproving this Stipulation and Agreed Order

9 Nothing in this Stipulation and Agreed Order or any negotiations or proceedings in

connection herewith shall constitute or be deemed to be evidence of an admission by any party of any liability or wrongdoing whatsoever, or the truth or untruth, or merit or lack of merit, of any claim or defense of any party. Neither this Stipulation and Agreed Order nor any negotiations or proceedings in connection herewith may be used in any proceeding against any party for any purpose whatsoever except with respect to effectuation and enforcement of this Stipulation and Agreed Order.

10 This Stipulation and Agreed Order contains the entire agreement of the parties with respect to its subject matter and supersedes any prior or contemporaneous oral or written agreements. The parties acknowledge that no promise, inducement, or agreement not stated herein has been made to them in connection with this Stipulation and Agreed Order. The parties understand and agree that this Stipulation and Agreed Order may not be altered, amended, modified, or otherwise changed in any respect whatsoever except by a writing duly executed by both parties. The parties agree and acknowledge that they will make no claim at any time or place that this Stipulation and Agreed Order has been orally altered or modified or otherwise changed by oral communication of any kind or character. Each party agrees that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not be employed in the interpretation, construction, or enforcement of this Stipulation and Agreed Order.

11 This Stipulation and Agreed Order may be executed simultaneously or in one or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument. A facsimile copy of a signature page is the equivalent of an original signature page.

12 This Stipulation and Agreed Order shall be binding upon (i) the ATLT, as successor to the Debtors, (ii) Claimant and (iii) their respective predecessors, successors, heirs, subsidiaries,

affiliates, assignees, agents, directors, officers, employees, the Plan Administrator, and any trustee appointed under Chapter 7 of the Bankruptcy Code

Dated New York, New York
August 17, 2005

**ALLEGIANCE TELECOM LIQUIDATING
TRUST**

JPMORGAN CHASE LEGAL DEPARTMENT

By /s/ Mark Huck
Mark Huck
Allegiance Telecom Liquidating Trust
1405 S Beltline Road, Suite 100
Coppell, Texas 75019

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Liquidating Trust

SO ORDERED, this 19th day of August, 2005

/s/Robert D Drain

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A – WIRING INSTRUCTIONS

Bank Name	JPMorgan Chase Bank
Bank Address	Dallas, TX
Account Name	Allegiance Telecom Liquidating Trust Operating
Account Number	08806351076
ABA Number	113000609

EXHIBIT B –AMOUNTS DUE TO ATLT AND CORRESPONDING DEADLINES

Due by August 24, 2005

Purchase Card CD as of August 18, 2005	\$ 409,455 69
Less Purchase Card Claim Amount as of August 18, 2005	(224,035 20)
Total Due to ATLT by August 24, 2005	\$ 185,420 49

Due within 48 hours of receipt by Claimant of the Hartford LC and accompanying release from the Hartford (anticipated payment deadline of August 26, 2005)

Hartford CD as of August 19, 2005	\$ 3,073,119 51
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Due by September 9, 2005

Touchstone CD as of September 7, 2005	\$ 135,778 47
Less Touchstone Claim Amount as of September 7, 2005	(130,808 62)
Plus Guaranty Bank CD as of September 12, 2005	846,893 13
Less Guaranty Bank Claim Amount as of September 12, 2005	(848,559 11)
Total Due to ATLT by September 9, 2005	\$ 3,303 87