UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re

Allegiance Telecom, Inc , et al.,

Debtors

Chapter 11 Case No
03-13057 (RDD)

Jointly Administered

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STIPULATION AND AGREED ORDER RESOLVING CURE AMOUNT WITH AMERITECH PUBLISHING, INC.

Allegiance Telecom of Illinois, Inc ("Allegiance" or "Debtor") and Ameritech Publishing, Inc (f/k/a Ameritech advertising services) ("Vendor") hereby stipulate and agree as follows

WHEREAS, on May 14, 2003 (the "Petition Date"), Allegiance commenced with this Court voluntary 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, Allegiance, as part of its Third Amended Joint Plan Reorganization (the "Plan") filed its schedule of assumed contracts (Schedule 2) with the Bankruptcy Court listing a certain contract between Allegiance and Vendor known as the Comprehensive Listing and Directory Advertising Agreement (the "Contract") to be assumed by Allegiance and the proposed cure amounts under such Contract, and

Docket #1607
eod 8-4-04

WHEREAS, the Vendor has objected to the proposed cure amount for the Contract ("Ameritech Objection"), and

WHEREAS, Debtors also objected to Vendor's filed Proof of Claim (Claim #1873) via Debtor's Sixth Objection to Certain Proofs of Claim filed by SBC Communications, Inc ("Debtor Objection"), and

WHEREAS, the Court entered its Order Confirming Debtors' Third Amended Joint Plan Reorganization on June 10, 2004 (the "Confirmation Order"), and

WHEREAS, subsequent to the entry of the Confirmation Order, Allegiance and Vendor have negotiated in good faith and have reached a consensual resolution with respect to the cure amount for the Contract, as set forth below

ACCORDINGLY, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS

1 Allegiance shall pay, within ten (10) calendar days of the entry of this Stipulation and Order, the Vendor the total amount of $50,572 06 in full and final satisfaction of all prepetition amounts due under the Contract

2 Other than the payment of the cure amount in section 1 above, Allegiance and Vendor agree that there are no other defaults as of this date by Allegiance under the Contract, the Ameritech Objection is resolved, and the Debtor's Objection is resolved with respect to Vendor's Proof of Claim (Claim #1873) Allegiance further acknowledges and agrees that it does not have any claims against Vendor for the recovery of preferential transfers and/or fraudulent conveyances arising out of or relating to the Contract

3 Pursuant to section 365(a) of the Bankruptcy Code, the Contract shall be assumed, and pursuant to section 365(b) of the Bankruptcy Code, the Contract shall be assigned, all pursuant to the Plan and Confirmation Order without further objection by Vendor

4 Vendor and Allegiance represent and agree that Vendor's proof of claim in the amount of $74,024 53 (claim #1873) shall be expunged upon the entry of this Stipulation and Order

5 This Court shall retain jurisdiction to resolve any disputes between the parties arising with respect to this Stipulation and Order

6 The undersigned on behalf of Allegiance and Vendor each warrants and represents that he or she has been duly authorized and empowered to execute and deliver this Stipulation and Order on behalf of such party Vendor represents and warrants to Allegiance that it is the sole holder of all claims against Allegiance related to the Contract and Vendor has not assigned, sold, or otherwise transferred any claims against Allegiance related to the Contract

7 This Stipulation and Order shall have no force or effect and shall not be binding upon either Allegiance or Vendor until it is entered by the Bankruptcy Court.

8 The parties acknowledge that no promise, inducement, or agreement not stated herein has been made to them in connection with this Stipulation, and that this Stipulation constitutes the entire agreement between them The parties understand and agree that this Stipulation 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 has been orally altered or modified or otherwise changed by oral communication of any kind or character

9 This Stipulation and 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

10 Allegiance and Vendor represent and agree that this Stipulation and Order is binding on the parties hereto and their predecessors, successors, the Plan Administrator, and any trustee appointed under chapter 7 of the Bankruptcy Code

Dated New York, New York

June 23, 2004

Allegiance Telecom of Illinois, Inc
1405 S Beltline Road, Suite 100
Coppell, Texas 75019
(972) 462-5933

By /s/ Mark A Stachiw
Mark A Stachiw

Its Attorney

AKIN GUMP STRAUSS HAUER & FELD LLP
By /s/ Ira Dizengoff

Ira S Dizengoff (ID-9980)
Colin M Adams (CA-2913)
590 Madison Avenue
New York, New York 10022
Telephone (212) 872-1000

Counsel to the Allegiance Telecom Liquidating Trust

Ameritech Publishing, Inc
(f/k/a Ameritech advertising services)

By /s/ Sherri Blank Lazear
Sherri Blank Lazear

Attorney for Ameritech Publishing, Inc
(f/k/a Ameritech advertising services)

Baker & Hostetler
Capitol Square, Suite 2100
65 East State Street
Columbus, Ohio 43215-4260
(614) 228-1541

SO ORDERED, this 3rd day of August 2004

/s/ ROBERT D DRAIN
UNITED STATES BANKRUPTCY JUDGE

FORM B10 (Official Form 10) (4/01)

UNITED STATES BANKRUPTCY COURT _____ DISTRICT OF Delaware

PROOF OF CLAIM

Name of Debtor: Allegiance Telecom of Michigan, Inc

Case Number: 03-13079

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.

REC'D JUN 15 2004

FILED
U.S.B.C. SOUTHERN DISTRICT OF NEW YORK
ALLEGIANCE TELECOM, INC
03-13057 (RRD)
2796

Name of Creditor (The person or other entity to whom the debtor owes money or property): Ameritech Service, Inc (composed of: Illinois Bell Telephone Company, Indiana Bell Telephone Company Incorporated, Michigan Bell Telephone Company, The Ohio Bell Telephone Company + Wisconsin Bell Inc

Name and address where notices should be sent:
SBC Communications
c/o Bankruptcy Dept
722 N Broadway, 11 Fl
Milwaukee, WI 53202
Telephone number: 414 273-8175

☐ 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 the address differs from the address on the envelope sent to you by the court

THIS SPACE IS FOR COURT USE ONLY

Account or other number by which creditor identifies debtor: See attached Rejection Units Motion 8-5-03

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

1 Basis for Claim (Clm 14b)

☐ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury/wrongful death
☐ Taxes
☒ Other Telecommunication Services

☐ Retiree benefits as defined in 11 U S C § 1114(a)
☐ Wages, salaries and compensation (fill out below)
Your SS # _____ _____ _____
Unpaid compensation for services performed
from _____ (date) to _____ (date)

2 Date debt was incurred term liabilities thru 5-13-03

3 If court judgment, date obtained

4 Total Amount of Claim at Time Case Filed. $ 288,103.43

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

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

Brief Description of Collateral
☐ Real Estate ☐ Motor Vehicle
☒ Other Set off

Value of Collateral $ Claim to be the extent of Set off rights

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

6 Unsecured Priority Claim

☐ Check this box if you have an unsecured priority claim

Amount entitled to priority $_____

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 4/1/04 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment

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

RECEIVED
JUN - 2 2004
CLAIMS PROCESSING CENTER
USBC, SDNY

Date: 6/04

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)
Cheryl Becker - Cheryl Becker - Manager Credit + Collections

Penalty for presenting fraudulent claim Fine of up to $500,000 or imprisonment for up to 5 years or both 18 U S C §§ 152 and 3571

Allegiance Claim
02850

ADDENDUM

By this proof of claim, Ameritech Services, Inc assert its rights to setoff the amounts owed by the Debtors to Ameritech Services, Inc against any claim brought against Ameritech Services, Inc by the Debtors, the Debtors in possession, any trustee or any estate representative, including, but not limited to any claims for reciprocal compensation

Ameritech Services, Inc also expressly reserves all other rights, including, without limitation, (i) the right of recoupment, (ii) any other defenses to any cause of action, (iii) to amend this claim, and (iv) to assert this claim or any portion of it against any other debtor if a basis to do so is subsequently discovered To the extent that these claims are used defensively, as a right of setoff, Ameritech Services, Inc asserts that such claims are secured claims

ALLEGIANCE
REJECTION CLAIM
MOTION 8 5 03

Debtor Entity	Name & Mailing Address of Vendor	Term Start Date	Term End Date	Date Circuit Number	MSA OR TAFIF	BAN	Disconnect Service Order	Disconnect Date	EBD	Term Liability	SBC STATUS	TL AMOUNT	INVTL BILLED	REMARKS
Allegiance Telecom of Michigan Inc Case No 03 13079-rdd	Ameritech SBC Contract Administration ATTN Notices Manager 311 S Akard 9th Floor Four Bell Plaza Dallas TX 75202-5398	12/6/1999	12/6/2004	HFGS301559MB	tariff	313s604221216	c2904444737	09/17/03	09/16/03	YES	DISCO	$ 23 634 39	10/11/03	
Allegiance Telecom of Michigan Inc Case No 03 13079 rdd	Ameritech SBC Contract Administration ATTN Notices Manager 311 S Akard 9th Floor Four Bell Plaza Dallas TX 75202 5398	12/6/1999	12/6/2004	HFGS301560MB	tariff	313s604221216	c2904440503	09/17/03	09/16/03	YES	DISCO	$ 23 634 39	10/11/03	
Allegiance Telecom of Michigan Inc Case No 03 13079-rdd	Ameritech SBC Contract Administration ATTN Notices Manager 311 S Akard 9th Floor Four Bell Plaza Dallas TX 75202-5398	5/12/2000	5/12/2005	HFGS301981MB	tariff	313s604221216	c2904442470	09/17/03	09/16/03	YES	DISCO	$ 18 825 00	10/11/03	
Allegiance Telecom of Michigan Inc Case No 03 13079-rdd	Ameritech SBC Contract Administration ATTN Notices Manager 311 S Akard 9th Floor Four Bell Plaza Dallas TX 75202 5398	5/5/2000	5/5/2005	HFGS301982MB	tariff	313s604221216	c2904446282	09/22/03	09/16/03	YES	DISCO	$ 18 931 80	10/11/03	
Allegiance Telecom of Michigan Inc Case No 03 13079 rdd	Ameritech SBC Contract Administration ATTN Notices Manager 311 S Akard 9th Floor Four Bell Plaza Dallas TX 75202 5398	5/9/2000	5/9/2005	HFGS301984MB	tariff	313s604221216	c2904444791	09/01/03	09/17/03	YES	DISCO	$ 23 750 25	10/11/03	
Allegiance Telecom of Michigan Inc Case No 03 13079 rdd	Ameritech SBC Contract Administration ATTN Notices Manager 311 S Akard, 9th Floor Four Bell Plaza Dallas TX 75202 5398	5/8/2000	5/8/2005	HFGS301985MB	tariff	313s604221216	c2904444684	09/17/03	09/17/03	YES	DISCO	$ 23 769 52	10/11/03	
Allegiance Telecom of Michigan Inc Case No 03 13079 rdd	Amentech SBC Contract Administration ATTN Notices Manager 311 S Akard 9th Floor Four Bell Plaza Dallas TX 75202 5398	4/10/2000	4/10/2005	HFGS301986MB	tariff	313s604221216	c2904444681	09/22/03	09/22/03	YES	DISCO	$ 28 461 30	10/11/03	
Allegiance Telecom of Michigan Inc Case No 03 13079 rdd	Amentech SBC Contract Administration ATTN Notices Manager 311 S Akard 9th Floor Four Bell Plaza Dallas TX 75202 5398	4/7/2000	4/7/2005	HFGS301987MB	tariff	313s604221216	c2904444759	09/22/03	09/22/03	YES	DISCO	$ 28 528 94	10/11/03	

ALLEGIANCE
REJECTION CLAIM
MOTION 8-5 03

Debtor Entity	Name & Mailing Address of Vendor	Term Start Date	Term End Date	Date Circuit Number	MSA OR TAFIF	BAN	Disconnect Service Order	Disconnect Date	EBD	Term Liability	SBC STATUS	TL AMOUNT	INVTL BILLED	REMARKS
Allegiance Telecom of Michigan Inc Case No 03 13079 rdd	Ameritech SBC Contract Administration ATTN Notices Manager 311 S Akard 9th Floor Four Bell Plaza Dallas TX 75202 5398	7/21/2000	7/21/2005	HFGS302231MB	tariff	313s604221216	c2904444778	09/18/03	09/18/03	YES	DISCO	$ 25 360 30	10/11/03	
Allegiance Telecom of Michigan Inc Case No 03 13079-rdd	Ameritech SBC Contract Administration ATTN Notices Manager 311 S Akard 9th Floor Four Bell Plaza	1/2/2001	1/2/2006	HFGS302245MB	tariff	313s604221216	c2904444806	09/18/03	09/18/03	YES	DISCO	$ 73 207 54	10/11/03	
						AIT TOTAL		MICHIGAN			MI	$ 288 103 43		