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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re : Chapter 11 Case No.
: 03-_____ (____)
: ALLEGIANCE TELECOM, INC., et al., : Jointly Administered
: Debtors. :
: :
-----X

AFFIDAVIT OF G. CLAY MYERS
PURSUANT TO LOCAL BANKRUPTCY RULE 1007-2

G. Clay Myers, being duly sworn, deposes and says:

1. I am the Senior Vice President of Finance and Accounting of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, "Allegiance" or the "Debtors"). I am familiar with the Debtors' day-to-day operations, business affairs, and books and records. I have served in this capacity since December of 1999 and I am authorized to submit this affidavit.

2. On the date hereof (the "Commencement Date"), the Debtors each commenced with this Court a voluntary case under chapter 11 (the "Chapter 11 Cases") of title 11, United States Code (the "Bankruptcy Code"). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107 and

1108 of the Bankruptcy Code. Simultaneously with the filing of their petitions and this affidavit, the Debtors requested an order for the joint administration of their Chapter 11 Cases pursuant to rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

3. I submit this affidavit (the “Affidavit”) to provide information required by rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”) and in support of the Debtors’ various first day applications and motions. Any capitalized term not expressly defined herein shall have the meaning ascribed to it in the relevant application or motion. Except as otherwise indicated, all facts set forth in this Affidavit are based on my personal knowledge, my reliance upon staff members, my review of relevant documents, or my opinion based upon my experience and knowledge of the Debtors’ operations and financial condition and my experience and knowledge of the telecommunications industry. If I were called upon to testify, I could and would testify competently to the facts set forth herein.

4. This Affidavit describes the Debtors’ business and the circumstances surrounding the filing of their chapter 11 petitions and sets forth the information required by Local Rule 1007-2.

I. DESCRIPTION OF DEBTORS' BUSINESS AND CIRCUMSTANCES SURROUNDING THE FILING OF THEIR CHAPTER 11 CASES

An Overview of Allegiance's Business

5. Allegiance is a facilities-based national local exchange carrier that provides integrated telecommunications products and services to small and medium-sized business customers, large businesses (i.e., national customers with multiple locations), governmental entities, wholesale customers and other institutional users. Allegiance offers its customers a variety of services, including:

- local and long distance voice services, including basic telephone services and advanced calling features;
- broadband and other Internet and data services, including high-speed Internet access, wide area network interconnection, domain name registration, web hosting, email and colocation services;
- integrated local long distance/Internet access offerings, which provide customers with integrated voice and Internet access over a single broadband line;
- wholesale services to other regional and national service providers, including equipment colocation, managed modem ports and Internet protocol traffic aggregation; and
- customer premise equipment sales and maintenance services.

6. Allegiance serves more than 100,000 business customers in 36 markets.

Allegiance employs approximately 3,560 people, of which approximately 97 employees are covered by collective bargaining agreements.

7. As of the Commencement Date, the Debtors have approximately \$245 million of cash. As of December 31, 2002, the Debtors' consolidated books and records reflected assets totaling approximately \$1.441 billion and liabilities totaling approximately \$1.397 billion. For the three months ending December 31, 2002, the Debtors, on a consolidated basis, reported revenues of approximately \$204.91 million, EBITDA (i.e., earnings before interest, taxes, depreciation, amortization, non-cash deferred compensation expense and non-cash goodwill

impairment charges) of approximately negative \$34 million and net losses of approximately \$120 million.

**Allegiance is Critical to Promoting Sustainable
Competition in the Local Telecommunication Marketplace**

The Telecommunications Act of 1996

8. In February of 1996, Congress enacted the Telecommunications Act of 1996 (the “Telecom Act”), with the stated purpose of:

promot[ing] competition and reduc[ing] regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies.

H.R. REP No. 104-204(I), 104th Cong. 1st Sess. 1995 (July 24, 1995), reprinted in 1996 U.S.C.C.A.N. 10, **10. In that regard, the Telecom Act required Incumbent Local Exchange Carriers, including the Regional Bell Operating Companies (“ILECs”) – i.e., existing telecommunications monopolies – to allow newly created Competitive Local Exchange Carriers (“CLECs”) to (a) interconnect with the ILECs, (b) access portions of the ILEC network and (c) collocate their equipment in ILEC facilities all at forward-looking cost based rates. In addition, CLECs were permitted to purchase ILEC services at wholesale prices and resell them to customers at retail prices.

9. The enactment of the Telecom Act spurred entrepreneurs to start hundreds of new businesses to compete in the local telecommunications marketplace. During the late 1990s, investors recognized the growth opportunity inherent in the opening of a competitive local telecommunications marketplace and invested billions of dollars in equity and debt capital into a multitude of telecommunications companies primed to provide competing services to American consumers.

10. Funded with significant amounts of investment capital, two types of CLECs emerged. The first type of CLECs were “resellers”. Specifically, “reseller” CLECs purchased telecommunications services from ILECs at a discount and resold the services to customers at a higher price. Thus, these CLECs simply offered consumers the same services supplied by ILECs - generally at lower prices. To be successful with this low margin business model, “reseller” CLECs invested their capital in sales and marketing efforts designed to acquire a substantial customer-base and attendant market-share in a relatively short period of time and ahead of their many competitors. However, because resellers were providing the identical services as the ILECs (with no differentiation) and were attempting to build a large market share in a highly competitive market, this business model was flawed and many in the telecommunications industry believe that the “resale” business will fail.

11. The second type of CLECs were “facilities-based” CLECs. These CLECs invested significant sums of money to build their own proprietary infrastructure and network in order to effectively compete with the ILECs. Specifically, facilities-based CLECs combined elements of an ILEC’s network with their own to provide consumers with true differentiated services. As Michael Powell stated in his partial dissent to the FCC’s 2003 Triennial Review:

Facilities -based competition means a competitor can offer real differentiated service to consumers Facilities-based competitors own more of their own network and control more of their costs, thereby offering consumers real potential for lower prices. Facilities-based competitors offer greater rewards for the economy – buying more equipment from other suppliers . . . and creating more jobs. . . . And, facilities providers create vital redundant networks that can serve own nation if other facilities are damaged by those hostile to our way of life.

F.C.C., 2003 Triennial Review - Open Meeting, Separate Statement of Chairman Michael R. Powell, dissenting in part (February 20, 2003) (transcript available at

www.fcc.gov/web/cpd/triennial_review/). Allegiance is such a facilities-based CLEC with a nationwide network and a facility-based business strategy.

The Allegiance Nationwide Network – Servicing 36 Metropolitan Areas

12. In 1997, a management team of industry veterans launched Allegiance and focused on building a reliable nationwide network based on proven technologies, a nationwide direct sales force primarily focused on the small to medium sized business enterprise and information processing systems to support its operations. Allegiance was one of the first major local exchange carriers to open markets utilizing the “smart build” strategy. This strategy allowed a more rapid ramp-up in operations than the traditional competitive local exchange model in which extensive networks were built, including fiber networks, prior to the generation of significant revenues. In contrast, Allegiance’s initial network build-out simply required (a) deploying digital switching platforms with local and long distance capability and (b) leasing transport facilities from the incumbent local exchange carriers and other competitive local exchange carriers to connect its switches with its transmission equipment colocated in the incumbent local exchange carrier’s central offices. Once traffic volume justified further “success-based” investment, Allegiance leased dark fiber or built specific network segments. This strategy offered two major economic benefits. First, it enabled Allegiance to enter new markets with alacrity and reduce up-front capital requirements for entering individual markets prior to revenue generation. Second, in contrast to the traditional competitive local exchange carriers that generally built their networks in highly concentrated downtown areas due to the high cost of constructing fiber networks, Allegiance’s business model enabled it to provide services to customers in downtown areas as well as the more geographically dispersed, less competitive areas of its targeted markets.

13. Allegiance's initial business plan proposed entering into 24 of the largest metropolitan areas in the United States. Subsequently, management expanded its business plan to (a) increase the total number of target markets to 36, (b) increase its service area, i.e., its colocation "footprint" in its original 24 markets, and (c) acquire long-term rights to use dark fiber rings to replace network elements leased by the Debtors from the incumbent local exchange carriers.

14. In addition to internal growth, Allegiance's business plan included growth through strategic acquisitions. For example, in December 2001, Allegiance acquired certain assets of Intermedia Business Internet (the "Intermedia Acquisition"). The Intermedia Acquisition enabled Allegiance to (a) become a Tier 1 Internet access provider, (b) provide large quantities of data transmitted at high-speeds over the Internet to and from a customer's premises, (c) efficiently exchange traffic with other Internet backbone providers giving Allegiance greater control over its Internet access, and (d) leverage its local service presence to provide additional services to its target market. In June 2003, Allegiance acquired certain assets of Shared Technologies (the "Shared Technologies Acquisition"). The Shared Technologies Acquisition (a) added customer premises equipment sales, installation and maintenance to Allegiance's portfolio of integrated products and services, (b) strategically enhanced Allegiance's target market of small to medium size business enterprises, and (c) allowed Allegiance to provide a complete communications solution to business customers.

15. As of the date hereof, Allegiance provides its telecommunications services in major metropolitan areas across the United States, including the following 36 markets: Atlanta, Austin, Baltimore, Boston, Chicago, Cleveland, Dallas, Denver, Detroit, Fort Lauderdale, Fort Worth, Houston, Long Island, Los Angeles, Miami, Minneapolis/St. Paul, New York City, Northern New Jersey, Oakland, Ontario/Riverside, CA, Orange County, Philadelphia, Phoenix,

Pittsburgh, Portland, Sacramento, St. Louis, San Antonio, San Diego, San Francisco, San Jose, Seattle, Tampa, Washington, D.C., West Palm Beach/Boca Raton and White Plains. Allegiance is collocated in 849 central offices and has a Tier 1 Internet backbone.

The FCC Recognizes the Importance of Allegiance

16. Federal policy recognizes the importance of facilities-based CLECs and Allegiance is the model. In that regard, the Federal Communications Commission (the “FCC”) recently published its latest rules for local competition in the *FCC Triennial Review*. In reviewing these rules, a Kaufman Bros. Equity Research Report, dated March 4, 2003, stated that “*Allegiance is the blueprint for local competition proposed by the FCC.*” In addition, Kevin J. Martin, Commissioner of the FCC has noted:

Allegiance has focused on building a business that adheres to the letter of the Telecom Act while leveraging the entrepreneurial spirit of the law, as well. Today, Allegiance stands as a model of what Congress intended in 1996, and what we hope to achieve in the years ahead – new entrants that have the opportunity to continue to invest in infrastructure, bring innovation and offer new service offerings to consumers in local markets that are open to fair and robust competition.

Kevin J. Martin, Commissioner, F.C.C., Address to the Telecommunications Law Conference and the Texas Chapter of the Federal Communications Bar Association (March 7, 2002)

(transcript available at www.fcc.gov/Speeches/Martin/2002/spkjm203.html).

17. Thus, it is clear that Allegiance, by focusing on an intelligent – well thought out business model – building its own network and offering its consumers innovative services, is an integral player in the telecommunications marketplace and a model for the nation’s policy of promoting sustainable facilities-based competition in the local telecommunications arena. With an appropriate capital structure and a reduction in unnecessary

costs, Allegiance believes it will be one of the most successful telecommunications companies in the United States.

Capital Structure of the Debtors

Capital Stock

18. Allegiance Telecom, Inc. has two classes of authorized stock: (a) 750,000,000 shares of common stock, with par value of \$0.01 per share and (b) 1,000,000 shares of preferred stock, with par value of \$0.01 per share. As of December 31, 2002, Allegiance Telecom, Inc. had (i) 124,830,110 shares of common stock issued and outstanding, with 295 registered holders and at least 20,000 beneficial owners, and (ii) no shares of preferred stock outstanding. Allegiance Telecom, Inc.'s common stock is publicly traded on the Nasdaq National Market under the symbol "ALGX."

19. Allegiance Telecom, Inc. owns 100% of the capital stock of Allegiance Telecom Company Worldwide ("ATCW"), and ATCW directly or indirectly owns 100% of the capital stock of each of the other Debtors.

Prepetition Notes

20. In 1998, Allegiance Telecom, Inc. issued two series of notes: (i) 11 3/4% Senior Discount Notes with a face value of \$445 million, due on February 15, 2008 (the "Senior Discount Notes") and (ii) 12 7/8% Senior Notes with a face value of \$205 million, due on May 15, 2008 (the "Senior Notes"). The Senior Discount Notes were issued under that certain Indenture, dated as of February 3, 1998, between Allegiance Telecom, Inc. and The Bank of New York, as Indenture Trustee. The Senior Notes were issued under that certain Indenture, dated as of July 7, 1998, between Allegiance Telecom, Inc. and The Bank of New York, as

Indenture Trustee. Neither the Senior Discount Notes nor the Senior Notes are secured by any assets of the Debtors or guaranteed by any of the Debtors.

Prepetition Credit Agreement

21. Prior to the Commencement Date, ATCW entered into that certain Credit and Guaranty Agreement, dated as of February 15, 2000, as amended as of November 27, 2002 (the “Prepetition Credit Agreement”), among ATCW, as borrower; all of the other Debtors, as guarantors; Goldman Sachs Credit Partners L.P. (“Goldman Sachs”), as syndication agent and sole lead arranger; General Electric Capital Corporation (“GECC”) (as successor to Toronto Dominion (Texas), Inc.), as administrative agent, BankBoston, N.A. (“BankBoston”) and Morgan Stanley Senior Funding, Inc. (“Morgan Stanley”), as co-documentation agents; Goldman Sachs, GECC, BankBoston, Morgan Stanley, certain managing agents, and lenders party thereto from time to time (collectively, the “Prepetition Lenders”). As of the Commencement Date, the amount outstanding under the Prepetition Credit Agreement was approximately \$465.3 million. The Debtors have pledged substantially all of their assets as collateral under the Prepetition Credit Agreement, including (a) the capital stock of ATCW and (b) substantially all of the assets of ATCW and its direct and indirect subsidiaries, including the capital stock owned by ATCW in each of its Debtor subsidiaries. As of the Commencement Date, there were 27 Prepetition Lenders under the Prepetition Credit Agreement.

Events Leading to Chapter 11 Filing

22. The distressed economic environment in the United States that followed the economic boom of the late 1990s has had a global and adverse impact on the telecommunications industry. In the late 1990s, in an effort to finance operations and build their networks, telecommunications companies borrowed significant amounts of money from lenders

and the public through the issuance of debt. The resulting significant indebtedness incurred by telecommunications companies, combined with poor economic conditions required many companies, including the Debtors, to focus on reducing their debt either through out of court restructurings or the chapter 11 process.

23. Many of Debtors' existing and potential customers have experienced their own financial difficulties, thereby decreasing customer demand for existing and new services. The financial difficulties of the Debtors' customers has led to non-payment, partial payment, or slow payment of bills for services provided by the Debtors. The financial instability of other companies in the telecommunications industry has adversely affected the willingness of potential customers to move their telecommunications services to the Debtors. In addition, certain of the Debtors' suppliers have requested deposits, letters of credit, or other types of security. Moreover, telecommunications carriers that owe reciprocal and/or intercarrier compensation to the Debtors have either refused to pay or failed to pay in a timely manner for the services provided by the Debtors.

24. As a consequence of the foregoing, the Debtors' business operations were adversely impacted and, due to revenue trends and continuing negative EBITDA, the Debtors determined that their current level of indebtedness needed to be significantly reduced. Thus, in order to maximize the long-term wealth generating capacity of their business operations, the Debtors, among other things, (a) established a special restructuring committee of the Board of Directors of Allegiance Telecom, Inc., (b) retained restructuring advisors, and (c) commenced extensive negotiations with their senior lenders and bondholders, as detailed below.

Negotiations with the Prepetition Lenders and the Ad Hoc Committee of Bondholders

25. The Debtors, in the exercise of their sound business judgment - and in recognition of the distressed economic environment and the need for the Debtors' businesses to

focus on profitability instead of high revenue growth - determined that a meaningful de-leveraging of their capital structure was crucial for the preservation and maximization of the value of their businesses. In that regard, the Debtors, in conjunction with their financial advisors and the Board of Directors of Allegiance Telecom, Inc., commenced the process of determining the appropriate capital structure for their business operations. After determining the appropriate capital structure, the Debtors commenced negotiations with the Prepetition Lenders and the Ad Hoc Committee (as defined below) to effectuate a restructuring transaction

26. In October of 2002, Allegiance began negotiations with its Prepetition Lenders regarding a potential restructuring of its long-term debt. On November 27, 2003, Allegiance and its Prepetition Lenders entered into that certain First Amendment to the Prepetition Credit Agreement (the "Amendment"). Pursuant to the Amendment, the Debtors obtained a moratorium on their financial covenants through April 30, 2003. In exchange for the Amendment, Allegiance agreed, among other things, (a) that an event of default would occur on April 30, 2003 unless it reduced its long term debt to a level not to exceed \$645 million, and (b) to repay \$15 million to the Prepetition Lenders on account of debt owed under the Prepetition Credit Agreement. During the latter part of 2002 and to meet covenants under the Amendment, the Debtors significantly lowered their capital expenditures, reduced headcount, substantially decreased growth, eliminated less profitable products and services, and continued to optimize their existing network assets.

27. After entering into the Amendment, the Debtors commenced negotiations with the Prepetition Lenders to consummate a permanent restructuring. In connection with the negotiations regarding the permanent restructuring, the Debtors commenced negotiations with an

ad hoc committee of noteholders, which is comprised of certain holders of the Senior Notes and the Senior Discount Notes (the “Ad Hoc Committee”).

28. The Debtors, the Prepetition Lenders and the Ad Hoc Committee were not able to reach an agreement concerning the permanent restructuring prior to the April 30 deadline. On April 29, 2003, in order to avoid the occurrence of certain events of default under the Prepetition Credit Agreement, the Debtors and the Prepetition Lenders entered into a forbearance agreement (the “Forbearance Agreement”), which expires on May 15, 2003. The Forbearance Agreement provided for, among other things, a pay down of \$5 million of principal owed under the Prepetition Credit Agreement.

29. After entering into the Forbearance Agreement, the Debtors continued their negotiations with the Prepetition Lenders and the Ad Hoc Committee. However, the parties were unable to reach an agreement prior to the expiration of the term of the Forbearance Agreement. Consequently, the Debtors, in the exercise of their prudent business judgment, determined that it was in the best interests of all of their stakeholders and for the maximization of the value of their businesses to commence these Chapter 11 Cases and consummate a restructuring of their indebtedness under the auspices of this Court.

Information Required By Local Rule 1007-2

30. In addition to the foregoing information, Local Rule 1007-2 requires certain additional information related to the Debtors, which is set forth below and is current as of the date hereof, except as otherwise noted herein.

31. In response to Local Rule 1007-2(a)(2), the Chapter 11 Cases were not originally commenced under chapter 7 or chapter 13.

32. In response to Local Rule 1007-2(a)(3), no committee was organized before the Commencement Date, other than the Ad Hoc Committee and a steering committee of the senior lenders under the Prepetition Credit Agreement (the “Steering Committee”). Each such committee has retained legal counsel. The attorneys for the Ad Hoc Committee are: Akin Gump Strauss Hauer & Feld, LLP, 590 Madison Avenue, New York, New York 10022-2524. The attorneys for the Steering Committee are: Paul Hastings, Janofsky & Walker, 1055 Washington Boulevard, Stamford, Connecticut 06901-2217. The members of the Ad Hoc Committee known to the Debtors are: (a) Kingdon Capital Management, (b) Cardinal, (c) Romulus Holdings Inc., (d) York Capital Management, (e) Alpine Associates, (f) Conseco Capital Management, Inc., (g) Delaware Investment Advisors, (h) Que Investments, (i) Loeb Partners, and (j) Brownstone Investment Group LLC. The Steering Committee consists of ABN Amro Bank N.V., 350 Park Avenue, 2nd Floor, New York, New York 10022, Fleet National Bank, 100 Federal Street, Boston, Massachusetts 02110, General Electric Capital Corporation, 120 Long Ridge Road, Stamford, Connecticut 06927 and ING Capital LLC, 1325 Avenue of the Americas, New York, New York 10019. Allegiance does not know the exact date when the Steering Committee and the Ad Hoc Committee were formed nor whether they will continue in existence subsequent to the appointment of an official committee of unsecured creditors in these Chapter 11 Cases or whether the members of and/or counsel to such committees will change.

33. In response to Local Rule 1007-2(a)(4), the information required for the holders of the forty largest unsecured claims, excluding insiders, is set forth on Schedule 1 annexed hereto.

34. In response to Local Rule 1007-2(a)(5), the list of the names and addresses of Allegiance’s creditors holding the eight largest secured claims, excluding insiders, is set forth

on Schedule 2 annexed hereto. The Debtors, the lenders listed on Schedule 2 hereto and other lenders are parties to the Prepetition Credit Agreement. As of the Commencement Date, Allegiance Telecom Company Worldwide, as borrower, and all of the other Debtors, as guarantors, are obligated in the aggregate amount of approximately \$465.3 million under the Prepetition Credit Agreement. The amount of the claim is undisputed. The senior lenders have a security interest in (a) the capital stock of Allegiance Telecom Company Worldwide, which stock is owned by the parent holding company, Allegiance Telecom, Inc., and (b) substantially all of the assets of Allegiance Telecom Company Worldwide and its direct and indirect subsidiaries, including the capital stock owned by that entity in each of its subsidiaries. The value of the collateral is unknown at this time.

35. Local Rule 1007-2(a)(6) requires the Debtors to provide a summary of their assets and liabilities. As of December 31, 2002, the Debtors' consolidated books and records reflected assets totaling approximately \$1.441 billion and liabilities totaling approximately \$1.397 billion.

36. Local Rule 1007-2(a)(7) requires the Debtors to provide information regarding the Debtors' stock, debentures or other securities. In that regard:

- (a) Allegiance Telecom, Inc., has two classes of authorized stock: (i) 750,000,000 shares of common stock, par value \$.01 per share, and (ii) 1,000,000 shares of preferred stock, par value \$.01 per share. As of December 31, 2002, Allegiance Telecom, Inc. had 124,830,110 shares of common stock, issued and outstanding, with 295 registered holders and at least 20,000 beneficial owners. Allegiance Telecom, Inc. does not have any shares of preferred stock outstanding. Allegiance Telecom, Inc. common stock is publicly traded on the Nasdaq National Market under the symbol "ALGX." As of December 31, 2002, Allegiance Telecom, Inc. had 94,031 warrants to purchase approximately 205,785 shares of Allegiance Telecom, Inc. common stock. As of that date, Allegiance Telecom, Inc. had outstanding stock options to purchase 16,082,684 shares of its common stock. Allegiance

Telecom, Inc. owns 100% of the capital stock of Allegiance Telecom Company Worldwide and that entity directly or indirectly owns 100% of the capital stock of each other Debtor subsidiary. Set forth on Schedule 3 is a list of the number of shares of common stock held by each of Allegiance Telecom, Inc.'s directors and senior officers.

- (b) Allegiance Telecom, Inc. is the borrower under the: (i) Indenture, dated as of February 3, 1998, between Allegiance Telecom, Inc. and The Bank of New York, as Indenture Trustee, relating to the 11 $\frac{3}{4}$ % senior notes due 2008, and (ii) Indenture, dated as of July 7, 1998, between Allegiance Telecom, Inc. and The Bank of New York, as Indenture Trustee, relating to the 12 $\frac{7}{8}$ % senior notes due 2008. Neither of the 11 $\frac{3}{4}$ % senior notes nor the 12 $\frac{7}{8}$ % senior notes are secured by any assets of the Debtors nor guaranteed by any of the Debtors. As of March 18, 2003, the Debtors believe there were at least 100 bondholders of each series of bonds. None of the bonds are held by any of Allegiance's directors or executive officers.
- (c) As of April 15, 2003, there were 27 senior lenders under the Senior Credit Agreement. Allegiance Telecom Company Worldwide is the borrower under the Senior Credit Agreement and, as discussed above, the senior debt is secured by substantially all of the assets of Allegiance Telecom Company Worldwide and its subsidiaries and the stock of Allegiance Telecom Company Worldwide, which is 100% wholly owned by Allegiance Telecom, Inc. Allegiance Telecom Company Worldwide's obligations under the Senior Credit Agreement are guaranteed by all of the other Debtors. None of the senior debt is held by any of Allegiance's directors or executive officers.

37. Pursuant to Local Rule 1007-2(a)(8), Schedule 4 lists the Debtors' property in the possession or custody of any custodian, public officer, mortgagee, assignee of rents or secured creditor or agent for such entity, giving the name, address and telephone number of such entity and the court in which any proceedings relating thereto is pending.

38. Pursuant to Local Rule 1007-2(a)(9), Schedule 5 lists the premises owned, leased or held under other arrangement from which the Debtors operate their businesses.

39. Pursuant to Local Rule 1007-2(a)(10), Schedule 6 lists the location of Debtors' substantial assets and the location of their books and records. The Debtors do not hold significant assets outside of the territorial limits of the United States.

40. Pursuant to Local Rule 1007-2(a)(11), Schedule 7 summarizes the nature and present status of each action or proceeding, pending or threatened, against the Debtors or their property where a judgment against any of the Debtors or a seizure of any of their property may be imminent.

41. Pursuant to Local Rule 1007-2(a)(12), Schedule 8 lists the names of the individuals who comprise the Debtors' existing senior management, their tenure and a summary of their relevant responsibilities and experience.

42. Pursuant to Local Rule 1007-2(b)(1), Schedule 9 lists the estimated amount of weekly payroll to the Debtors' employees (exclusive of officers, directors, stockholders and partners) for the thirty-day period following the Commencement Date.

43. Pursuant to Local Rule 1007-2(b)(2), Schedule 10 lists the amount proposed to be paid for services for the thirty-day period after the Commencement Date to officers, directors, stockholders and financial consultants. The Debtors have retained Greenhill & Co. as their financial advisors and the fees for Greenhill & Co. has been included in Schedule 10.

44. In accordance with Local Rule 1007-2(b)(3), Schedule 11 lists the estimated cash receipts and disbursements, net cash gain or loss, and obligations or receivables expected to accrue but remain unpaid (other than professional fees), for the thirty-day period following the Commencement Date.

By: _____
G. Clay Myers, Senior Vice President
of Finance and Accounting

Sworn to before me on this

_____ day of _____ 2003

Notary Public
State of _____, County of _____
Registration Number:
My Commission Expires: []

SCHEDULE 1

CREDITORS HOLDING THE FORTY LARGEST UNSECURED CLAIMS

<i>Name of Creditor</i>	<i>Name, Telephone Number and Complete Mailing Address, Including Zip Code, of Employee, Agent, or Department of Creditor Familiar with Claim Who May Be Contacted</i>	<i>Nature of Claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if Claim is contingent, unliquidated, disputed or subject to set-off</i>	<i>Amount of Claim (If secured also state value of security)</i>
The Bank of New York	101 Barclay Street Floor 21 West New York, NY 10286 Attn: Corporate Trust Administration Van K. Brown Phone: 212/815-5498 Fax: 212/815-5915	bond debt		\$ 445,000,000
The Bank of New York	101 Barclay Street Floor 21 West New York, NY 10286 Attn: Corporate Trust Administration Van K. Brown Phone: 212/815-5498 Fax: 212/815-5915	bond debt		\$ 205,000,000
Verizon (BA) - Line Cost, Albany NY	VP & Associate General Counsel – Wholesale Markets Verizon Wholesale Markets 1515 N. Court House Road Suite 500 Arlington, VA 22201 Fax: 703/351-3664	trade debt	disputed, subject to set-off	\$ 8,417,558
Verizon (BA-PA) - Line Cost, Lehigh Valley, PA	VP & Associate General Counsel – Wholesale Markets Verizon Wholesale Markets 1515 N. Court House Road Suite 500 Arlington, VA 22201 Fax: 703/351-3664	trade debt	disputed, subject to set-off	\$ 8,269,626
Verizon (BA-South) - Line Cost, Cockeysville, MD	VP & Associate General Counsel – Wholesale Markets Verizon Wholesale Markets 1515 N. Court House Road Suite 500 Arlington, VA 22201 Fax: 703/351-3664	trade debt	disputed, subject to set-off	\$ 6,640,285
Verizon (BA-NJ) - Line Cost, Trenton, NJ	VP & Associate General Counsel – Wholesale Markets Verizon Wholesale Markets 1515 N. Court House Road Suite 500 Arlington, VA 22201 Fax: 703/351-3664	trade debt	disputed, subject to set-off	\$ 5,181,093
Ameritech - LEC Services Billing - CABS	SBC Contract Administration Attn: Notices Manager	trade debt	disputed, subject to set-off	\$ 3,772,644

<i>Name of Creditor</i>	<i>Name, Telephone Number and Complete Mailing Address, Including Zip Code, of Employee, Agent, or Department of Creditor Familiar with Claim Who May Be Contacted</i>	<i>Nature of Claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if Claim is contingent, unliquidated, disputed or subject to set-off</i>	<i>Amount of Claim (If secured also state value of security)</i>
	311 S. Akard, 9th Floor Four Bell Plaza Dallas, TX 75202-5398 Fax: 214/464-2006 Phone: 214/464-1933		off	
KMC Telecom XI LLC	KMC Telecom Holdings, Inc. 1545 Route 206, Suite 300 Bedminster, NJ 07921 Attn: General Counsel Attn: National Markets, Project Planning Fax: 908/719-8775	trade debt	disputed	\$ 3,435,658
Southwestern Bell	SBC Contract Administration Attn: Notices Manager 311 S. Akard, 9th Floor Four Bell Plaza Dallas, TX 75202-5398 Fax: 214/464-2006 Phone: 214/464-1933	trade debt	disputed, subject to set-off	\$ 3,314,070
Pacific Bell	SBC Contract Administration Attn: Notices Manager 311 S. Akard, 9th Floor Four Bell Plaza Dallas, TX 75202-5398 Facsimile: 214/464-2006 Phone: 214/464-1933	trade debt	disputed, subject to set-off	\$ 2,936,431
Verizon (GTE-SW) - Line Cost, Atlanta, GA	VP & Associate General Counsel – Wholesale Markets Verizon Wholesale Markets 1515 N. Court House Road Suite 500 Arlington, VA 22201 Fax: 703/351-3664	trade debt	disputed, subject to set-off	\$ 2,392,184
Qwest Communications	General Counsel - Law Department 1801 California St, Suite 4900 Denver, CO 80202 Fax: 303/295-6973	trade debt	disputed, subject to set-off	\$ 2,340,908
Verizon (BA) - Line Cost, Baltimore, MD	VP & Associate General Counsel – Wholesale Markets Verizon Wholesale Markets 1515 N. Court House Road Suite 500 Arlington, VA 22201 Fax: 703/351-3664	trade debt	disputed, subject to set-off	\$ 1,887,553

<i>Name of Creditor</i>	<i>Name, Telephone Number and Complete Mailing Address, Including Zip Code, of Employee, Agent, or Department of Creditor Familiar with Claim Who May Be Contacted</i>	<i>Nature of Claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if Claim is contingent, unliquidated, disputed or subject to set-off</i>	<i>Amount of Claim (If secured also state value of security)</i>
AT&T Corp.	1200 Peachtree Street Atlanta, GA 30309 Attn: Norman Collins, Sales VP Phone: 404/532-6500 Fax: 404/532-6503	trade debt	disputed, subject to set-off	\$ 1,807,547
Bell South	Florida: ICS Attorney Suite 4300 675 W. Peachtree St. Atlanta, GA 30375 Georgia: General Attorney – COU Suite 4300 675 W. Peachtree St. Atlanta, GA 30375	trade debt	disputed, subject to set-off	\$ 1,266,957
Verizon (GTE-CA) - Line Cost, Inglewood, CA	VP & Associate General Counsel – Wholesale Markets Verizon Wholesale Markets 1515 N. Court House Road Suite 500 Arlington, VA 22201 Fax: 703/351-3664	trade debt	disputed, subject to set-off	\$ 1,024,068
Verizon (GTE-SW) - Line Cost, Dallas, TX	VP & Associate General Counsel – Wholesale Markets Verizon Wholesale Markets 1515 N. Court House Road Suite 500 Arlington, VA 22201 Fax: 703/351-3664	trade debt	disputed, subject to set-off	\$ 986,406
Broadwing Communication Services Inc.	1122 Capital of Texas Hwy South Austin, TX 78746 Ernest Williams Fax 512/742-6223	trade debt	disputed, subject to set-off	\$ 880,924
MCI WorldCom Communications	500 Clinton Center Drive, Building 4 Clinton, MS 39056 Attn: Contracts Administration Fax: 601/460-8377	trade debt	disputed, subject to set-off	\$ 715,923
Level 3 Communications LLC - CABS	1025 Eldorado Blvd Broomfield, CO 80021 Attn: General Counsel Fax: 720/888-5127	trade debt	disputed, subject to set-off	\$ 695,901
NCX Office Development, LP	c/o Stream Realty Partners, L.P. 511 East John Carpenter Highway, Suite 400 Irving, Texas 75062 Attention: J. Douglas Laing Phone: 214/267-0459	trade debt		\$ 466,124

<i>Name of Creditor</i>	<i>Name, Telephone Number and Complete Mailing Address, Including Zip Code, of Employee, Agent, or Department of Creditor Familiar with Claim Who May Be Contacted</i>	<i>Nature of Claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if Claim is contingent, unliquidated, disputed or subject to set-off</i>	<i>Amount of Claim (If secured also state value of security)</i>
	Fax: 214/ 267-0404			
DST Output	5220 Robert J. Matthews Parkway El Dorado Hills, CA 95762 Attn: Jim Laramy, VP Legal Phone: 916/941-4020 Fax: 916/941-4173	trade debt	disputed, subject to set-off	\$ 400,069
Lucent Technologies Inc.	2601 Lucent Lane Lisle, IL 60532 Attn: Dave Thomson Phone: 630/224-2998 Fax: 630/979-7879	trade debt	disputed, subject to set-off	\$ 362,855
XO Communications	11111 Sunset Hills Reston, VA 20190 Attn: Craig Fricke Phone: 703/547-2544 Attn: Jeffrey Nelson Fax: 214/237-1343	trade debt	disputed, subject to set-off	\$ 281,673
Avaya - CABS	3410 Midcourt, Suite 115 Carrollton, TX 75006-5066 Attn: Chris De La Cruz Phone: 972/391-4848 Fax: 972/391-4848	trade debt	disputed, subject to set-off	\$ 275,339
UUNET	c/o MCI WorldCom Communications 500 Clinton Center Drive, Building 4 Clinton, MS 39056 Attn: Contracts Administration Fax: 601/460-8377	trade debt	disputed, subject to set-off	\$ 264,031
Southern California Edison	Carrier Solutions Fin & Admin 2244 Walnut Grove GO1 Quad 2B Rosemead, CA 91770 Attn: Marilyn Wasserman Phone: 626/302-2913 Fax: 626/302-3420	trade debt	disputed	\$ 259,250
MFS Telecom Inc - CABS	c/o MCI WorldCom Communications 500 Clinton Center Drive, Building 4 Clinton, MS 39056 Attn: Contracts Administration Fax: 601/460-8377	trade debt	disputed, subject to set-off	\$ 227,688
FPL Fibernet LLC--Line Cost	700 Universe Blvd. Juno Beach, FL 33408 Attn: General Counsel Fax: 561/691-7135	trade debt	disputed, subject to set-off	\$ 172,390
Enterprise Fleet Services	1550 Route 23 North Wayne, NJ 07470 Attn: David Guthaim	trade debt		\$ 167,569

<i>Name of Creditor</i>	<i>Name, Telephone Number and Complete Mailing Address, Including Zip Code, of Employee, Agent, or Department of Creditor Familiar with Claim Who May Be Contacted</i>	<i>Nature of Claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if Claim is contingent, unliquidated, disputed or subject to set-off</i>	<i>Amount of Claim (If secured also state value of security)</i>
	Phone: 973/709-2491 Fax: 973/709-2487			
Intermedia Communications Inc.	c/o MCI WorldCom Communications 500 Clinton Center Drive, Building 4 Clinton, MS 39056 Attn: Contracts Administration Fax: 601/460-8377	trade debt	disputed, subject to set-off	\$ 148,689
GE Capital Fleet Services	300 RiverHills Business Park Birmingham, AL 35242 Attn: Kenneth Johns Phone: 205/991-4285 Fax: 205/991-4141 Email: ken.johns@fleet.gecapital.com	trade debt		\$ 137,785
WorldCom OnNet DSL	c/o MCI WorldCom Communications 500 Clinton Center Drive, Building 4 Clinton, MS 39056 Attn: Contracts Administration Fax: 601/460-8377	trade debt	disputed, subject to set-off	\$ 134,152
Juniper Network	1194 North Mathilda Avenue Sunnyvale, CA 94089 Attn: Lisa C. Berry, General Counsel Phone: 408/745-2384 Fax: 408/745-8910 Email: lberry@juniper.net	trade debt	disputed, subject to set-off	\$ 127,761
Stornet Inc.	7388 South Revere Parkway Suite 1003 Centennial, CO 80112 Attn: General Counsel Phone: 303/790-6090 Fax: 303/799-9297	trade debt	disputed, subject to set-off	\$ 110,304
Pegasus Logistics Group	Corporate Headquarters 612 E. Dallas Rd., Suite 100 Grapevine, TX 76051 Attn: Alan Grayson Phone: 214/850-3649	trade debt		\$ 103,827
Focal Communications Corporation of PA (CABS)	200 North LaSalle Street Suite 1100, Chicago, IL Attn: General Counsel Phone: 312/ 895-8400 Fax: 312/895-8403	trade debt	disputed, subject to set-off	\$ 96,265
Acterna	12410 Milestone Center Drive Germantown, MD 20876 Attn: Rick Goshorn, General Counsel Telephone: 800/543-1550 Fax: 240/404-1198	trade debt		\$ 95,663

<i>Name of Creditor</i>	<i>Name, Telephone Number and Complete Mailing Address, Including Zip Code, of Employee, Agent, or Department of Creditor Familiar with Claim Who May Be Contacted</i>	<i>Nature of Claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if Claim is contingent, unliquidated, disputed or subject to set-off</i>	<i>Amount of Claim (If secured also state value of security)</i>
Looking Glass Networks Inc.	1111 West 22 nd Street, Suite 600 Oak Brook, IL 60523 Attn: Jodi J. Caro, General Counsel Phone: 630/242-2015 Fax: 630/242-2001	trade debt	Disputed	\$ 94,876
Trademark Telecom	TEK Trademark Telecom 2211 Norfolk, Suite 800 Houston, TX 77098 Phone: 866 313-0577 Contact: Isabel Miro Fax: 877/356-0324	trade debt		\$ 92,622

SCHEDULE 2

CREDITORS HOLDING EIGHT LARGEST SECURED CLAIMS

Senior Lender Name (Legal Name)	Total Amount of Lender's Claim (1)	Address/Contact Information
Pauraque Partners, L.P.	\$133,475,360	500 Crescent Court, Suite 250 Dallas, TX 75201 Attn: Kent McGaughy, Jr.
General Electric Capital Corporation	\$33,628,999	120 Long Ridge Road Stamford, CT 06927 Attn: Chris Nicholls
Fleet National Bank	\$23,046,105	100 Federal Street Boston, MA 02110 Attn: Lilly Hayes
ABN Amro Bank N.V.	\$19,205,088	350 Park Avenue, 2 nd Floor New York, NY 10022 Attn: William Teresky
The Bank of Nova Scotia	\$19,205,088	One Liberty Plaza New York, NY 10006 Attn: Ma. Socorro Sevilla
CoBank, ACB	\$19,205,088	5500 South Quebec Street Greenwood Village, CO 80111 Attn: Nick Jewitt
ING Capital LLC	\$19,205,088	1325 Avenue of the Americas New York, NY 10019 Attn: Peter Clinton
UBS AG, Stamford Branch	\$19,205,088	677 Washington Blvd Stamford, CT 06901 Attn: David Kalal

(1) Includes one month's amount of accrued interest.

SCHEDULE 3

NUMBER OF SHARES OF COMMON STOCK OF ALLEGIANCE TELECOM, INC. BENEFICIALLY OWNED BY ALLEGIANCE TELECOM, INC.'S SENIOR OFFICERS AND DIRECTORS AS OF MARCH 31, 2003

Name of Senior Officer or Director	Title	Number of Shares of Common Stock Beneficially Owned ⁽¹⁾
Royce J. Holland	Chairman and Chief Executive Officer	6,290,798
C. Daniel Yost	President, Chief Operating Officer and Director	2,386,919
Thomas M. Lord	Chief Financial Officer, Executive Vice President of Corporate Development and Director	2,588,283
Anthony J. Parella	President, Telecom and Retail Services and Director	1,721,345
Mark B. Tresnowski	Executive Vice President, General Counsel and Secretary	983,412
Kevin M. Joseph	Senior Vice President of Federal Governmental Affairs	260,000
G. Clay Myers	Senior Vice President, Finance and Accounting	318,352
J. Timothy Naramore	Senior Vice President and Chief Information Officer	203,343
Lawrence E. Strickling	Senior Vice President, Industry and State Regulatory	100,143
Deborah Surette	President, Broadband and Wholesale Services	300,000
James E. Crawford, III	Director	1,465,364
Paul J. Finnegan	Director	45,512
Jacob J. Goldberg	Director	-
Reed E. Hundt	Director	102,060
Andrew D. Lipman	Director	52,550
James N. Perry, Jr.	Director	<u>37,723</u>
TOTAL		<u>16,855,804</u>

(1) As used herein "beneficial ownership" means the sole or shared power to vote or invest the common stock as well as vested and unvested shares of restricted stock. It also includes shares issuable upon exercise of outstanding stock options.

SCHEDULE 4

**DEBTORS' PROPERTY IN THE POSSESSION OR CUSTODY OF ANY
CUSTODIAN, PUBLIC OFFICER, MORTGAGEE, PLEDGEE, ASSIGNEE
OF RENTS, OR SECURED CREDITOR, OR AGENT FOR ANY SUCH ENTITY**

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
<u>REAL ESTATE SECURITY DEPOSITS</u>				
111 Chelsea LLC	111 Chelsea LLC c/o Insignia ESG, Inc. 111 Eighth Avenue, Suite 1500 New York, NY 10011	Cash	Switch (New York)	\$125,000.00
1120 Vermont Ave Associates	1120 Vermont Avenue Associates c/o S. C. Herman & Associates, Inc. 1120 Vermont Avenue, N.W., Suite 900 Washington, D.C. 20005	Cash	Switch (WDC)	\$14,180.00
1400 Centrepark, LTD	1400 Centrepark, LTD c/o Parthenon Realty, LLC 1601 Forum Place, Suite 406 West Palm Beach, Florida 33401	Cash	Sales (West Palm Beach)	\$9,146.18
1400 Providence Highway Realty	1400 Providence Highway Realty Trust c/o The Bulfinch Companies 250 First Avenue, Suite 200 Needham, MA 02194	Cash	Shared Technologies Location (Norwood)	\$31,248.00
1415 Louisiana	1415 Louisiana K/LTD c/o Wedge Property Management, Inc. 1415 Louisiana, Suite 1550A Houston, TX 77002	Cash	Sales (Houston)	\$17,500.00
1515 Market Street Associates	1515 Market Street Associates c/o West World Management, Inc. 4 Manhattanville Road Purchase, NY 10577	Cash	Sales (Philadelphia)	\$2,873.75
1818 Market - VEF II, LLC	1818 Market - VEF II, LLC c/o Albert B. Ashforth, LLC 1818 Market Street, Suite 2610 Philadelphia, PA 19103	Cash	Sales (Philadelphia)	\$42,450.75
1919 M St NW St 420	Conservation International Foundation 1919 "M" Street, N.W., Suite 600 Washington, D.C. 20036	Cash	Regulatory (WDC)	\$14,700.58

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
2255 Partners L.P.	2255 Partners, L.P. c/o M. David Paul Development 233 Wilshire Boulevard, Suite 990 Santa Monica, CA 90401	Cash	Virtualis Location (Burbank)	\$126,160.20
75-101 Federal St., L.L.C. (formerly held by BeaMetFed, Inc)	75-101 Federal St., L.L.C. c/o Equity Office 101 Federal Street Boston, MA 02110	Cash	Sales (Boston)	\$34,897.92
9706 LLC (formerly held by Westar Holdings Partnership)	9706 LLC 5366 South Bannock Street Littleton, CO 80120-1700 Attention: Lyle Everson	Cash	Switch (Englewood)	\$9,557.00
ADA Properties No 2 Ltd	ADA Properties 7100 N.W. 12th Street, Suite 105 Miami, FL 33126	Cash	Switch (Miami)	\$35,000.00
AGBRI Fannin Ltd/Jones Lang LaSalle Management	AGBRI Fannin Ltd. c/o Jones Lang LaSalle Management 1301 Fannin Street Suite 2400 Houston, TX 77002	Cash	Switch (Houston)	\$62,500.00
AMB Prop C/O TC Portland	AMB Property, L.P. c/o Trammell Crow Company 8625 S.W. Cascade Boulevard, Suite 500 Beaverton, OR 97008	Cash	Sales/Switch (Tigard)	\$122,868.00
Arbor Office Suites	Arbor Office Suites 9465 Counselors Row, Suite 200 Indianapolis, IN 46240	Cash	Shared Technologies Location (Temporary) (Indianapolis)	\$210.00
Arcadia Financial/CB Richard Ellis	Citigroup Corporate Realty Services P. O. Box 660237 Dallas, TX 75266	Cash	Sales (Bloomington)	\$15,000.00
Arden Realty Limited Partnership	Arden Realty Limited Partnership c/o Arden Realty, Inc. 9333 Genesee Avenue, Suite 110 San Diego, CA 92121	Cash	Sales (San Diego)	\$22,663.49

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
ASP Valley Forge, LP	ASP Valley Forge, LP c/o Trammell Crow Company 101 West Elm Street, Suite 400 Conshohocken, PA 19428	Cash	Sales (King of Prussia)	\$26,758.00
Bank of America	Bank of America, N.A. c/o Trammell Crow Company 525 North Tryon Street, NC1-023-04-01 Charlotte, NC 28255	Cash	Switch (Baltimore)	\$14,230.00
BP Commerce, LLC	BP Commerce, LLC c/o Matan Asset Management 4600 Wedgewood Boulevard, Suite A Frederick, MD 21703	Cash	IBI (Greenbelt)	\$1,158,000.10
BP Commerce, LLC	BP Commerce, LLC c/o Matan Asset Management 4600 Wedgewood Boulevard, Suite A Frederick, MD 21703	Cash	IBI (Greenbelt)	\$541,999.90
CalEast Industrial Investors, LLC	CalEast Industrial Investors, LLC c/o CB Richard Ellis 485 Spring Park Place, Suite 600 Herndon, Virginia 20170	Cash	Shared Technologies Location (Herndon)	\$7,947.50
Carlyle Airport Tech	Carlyle Airport Technology Trust c/o CB Richard Ellis 2415 East Camelback Road Phoenix, AZ 85016	Cash	Sales (Phoenix)	\$18,541.67
Cleveland Technology Center	Cleveland Technology Center DBA T-REX Technology Center @ Cleveland 5000 T-REX Avenue, Suite 100 Boca Raton, FL 33431	Cash	Switch (Cleveland)	\$23,100.00
Connecticut General Life Insurance	Connecticut General Life Insurance c/o Carr America Realty Corporation 1600 Parkwood Circle, Suite 150 Atlanta, GA 30339	Cash	Shared Technologies Location (Atlanta)	\$3,552.08
Cornerstone Suburban Office	Cornerstone Suburban Office c/o Advantis Real Estate Services 4300 West Cypress Street, Suite 160 Tampa, FL 33607	Cash	Sales (Tampa)	\$23,120.58
Downtown	Downtown Properties LLC	Cash	Sales/Switch	\$116,458.33

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
Properties LLC	c/o MAS Asset Management Corporation 633 West Fifth Street, 56th Floor Los Angeles, CA 90071		(Los Angeles)	
Eastridge Properties I Corp	Eastridge Properties I Corporation c/o Albert B. Ashforth, Inc. 925 Westchester Avenue White Plains, NY 10604	Cash	Sales (White Plains)	\$50,650.67
Electronic Data Systems	EDS/SHL Corporation 5400 Legacy Drive Plano, TX 75024 Attn: H3-3A-05	Cash	Corporate (Dallas)	\$106,088.12
Equity Office Properties	Equity Office Properties 1300 Summit Avenue, Suite 220 Fort Worth, TX 76102	Cash	Sales (Fort Worth)	\$4,731.00
Equity Office Properties (formerly held by Spieker Prop.)	Equity Office Properties EOP - Governor Executive Centre, L.L.C. 151 Metro Drive San Jose, CA 95110	Cash	Sales (San Jose)	\$15,564.00
Exchange Center Partnership	Exchange Center Partnership c/o John J. Roper Company 670 North Orlando Avenue, Suite 1015 Maitland, FL 32751	Cash	Shared Technologies Location (Maitland)	\$3,500.00
FSP Telecom Business Center	FSP Telecom Business Center c/o SENTRE Partners 8930 Activity Road, Suite B San Diego, CA 92126	Cash	Switch (San Diego)	\$18,352.00
G&C Realty Co.	G&C Realty Company, L.L.C. c/o Hotel Edison 228 West 47 th Street New York, NY 10036	Cash	Shared Technologies Location (New York)	\$5,000.00
Gaedake Holdings	Gaedeke Holdings, Inc. 2500 North Military Trail, Suite 206 Boca Raton, FL 33431	Cash	Sales (Fort Lauderdale)	\$13,534.73
Gary A. Jones, Trustee of the	Gary A. Jones Trustee of the Jones Family Trust	Cash	Shared Technologies	\$1,000.00

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
Jones Family Trust	3251 Corte Malpaso Camarillo, CA 93012		Location (Camarillo)	
Globe Building Company	Globe Building Company 710 North Tucker Boulevard, Suite 100 St. Louis, MO 63101	Cash	Switch (St. Louis)	\$8,533.00
Granite Falls Holdings	Granite Falls Holding Inc. 10911 Riverside Dr. Toluca Lake, CA 91602	Cash	Virtualis Location (Riverside)	\$13,175.00
Green Broad LLC	Green 90 Broad, L.L.C. c/o Colliers ABR, Inc. 40 East 52nd Street New York, NY 10022	Cash	Virtualis Location (New York)	\$17,048.00
Guardian Westwood LLC	Guardian Westwood LLC c/o Guardian Realty Management, Inc. 702 Russell Avenue, Suite 400 Gaithersburg, Maryland 20877	Cash	Sales Office (Vienna)	\$40,537.50
Hitachi Electronic Devices, USA	Hitachi Electronic Devices 575 Mauldin Road Greenville, SC 29607 Attn: Lawrence W. Davis	Cash	Sales (San Jose)	\$15,026.64
Hood Business Park, LLC	Hood Business Park LLC c/o Nordblom Management 31 Third Avenue Burlington, MA 01803	Cash	HarvardNet Data Center (Charlestown)	\$150,000.00
Hudson Telegraph Associates	Hudson Telegraph Associates c/o GVA Williams 380 Madison Avenue, 3rd Floor New York, NY 10017	Cash	Switch (New York)	\$150,000.00
Indianapolis Office Investors	Indianapolis Office Investors II, L.P. One Belmont Avenue, Suite 401 Bala Cynwyd, PA 19004	Cash	Shared Technologies Location (Indianapolis)	\$5,009.16
Irvine Office Company	Irvine Company c/o Insignia/ESG, Inc. 4695 MacArthur Court, Suite 480 Newport Beach, CA 92660	Cash	Sales (Newport Beach)	\$34,901.00

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
Jer/Bre Austin Tech LP	JER/BRE Austin Tech, L.P. c/o Trammell Crow Central Texas, Ltd. 11400 Burnet Road Austin, TX 78758	Cash	Sales/Switch (Austin)	\$37,883.98
Jetstar Partners Ltd.	Jetstar Partners, Ltd. c/o Collinternational, Inc. 501 Elm Street, Suite 375 Dallas, TX 75202	Cash	Shared Technologies Location (Irving)	\$9,736.83
Jung T Wang Family Lmtd/W5 Brannan LP	W5 Brannan 651 Brannan Street, Suite 100 San Francisco, CA 94107	Cash	Switch (San Francisco)	\$48,514.60
KM Complex LP	KM Complex, L.P. c/o Yale Properties USA, Inc. 6256 Greenwich Drive, Suite 130 San Diego, CA 92122	Cash	CTSNet Location (San Diego)	\$41,159.83
LaSalle National Trust	Craig/Steven Development Corporation Management Marketing Services 401 Huehl Road, Suite 1-A Northbrook, IL 60062	Cash	InterAccess Location (Northbrook)	\$5,300.00
Lakeview Business Center	Lakeview Business Center c/o Arizona Commercial Management 501 East Thomas Road, Suite 200 Phoenix, AZ 85012	Cash	Shared Technologies Location (Phoenix)	\$7,872.00
LAT Investment Corp	L.A.T. Investment Corporation 5777 West Century Boulevard, Suite 950 Los Angeles, CA 90045	Cash	Virtualis Location (Los Angeles #385/395)	\$8,030.00
LAT Investment Corp	L.A.T. Investment Corporation 5777 West Century Boulevard, Suite 950 Los Angeles, CA 90045	Cash	Virtualis Location (Los Angeles #310)	\$12,479.65
Marietta Street Partners, LLC	Marietta Street Partners, LLC 3101 Towercreek Parkway, Suite 560 Atlanta, GA 30339	Cash	Switch (Atlanta)	\$19,088.00
Mass Mutual Life Insurance	Massachusetts Mutual Life Insurance Company c/o Transwestern Commercial Services	Cash	Sales (San Antonio)	\$44,919.00

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
	100 N.E. Loop 410, Suite 650 San Antonio, TX 78216			
Mendota Office Holdings, LLC	Mendota Office Holdings, LLC c/o United Properties 3500 West 80th Street Minneapolis, MN 55431	Cash	Sales (Mendota Heights)	\$22,570.00
Miami RPFIV Airport Corp	Miami RFP IV Airport Corporate Center c/o Insignia/ESG, Inc. 7300 Corporate Center Drive, Suite 100 Miami, FL 33126	Cash	Sales (Miami)	\$19,124.92
Midway Commerce Park Properties, L.P.	Midway Commerce Park Properties, L.P. c/o Midway Management, Inc. 4101 Interwood North Parkway, Suite 220 Houston, TX 77032	Cash	Shared Technologies Location (Houston)	\$5,560.00
North Hayward Corporate Center Associates	North Hayward Corporate Center Associates c/o Insignia/ESG, Inc. 216 Darby Court Petaluma, CA 94952	Cash	Shared Technologies Location (Hayward)	\$3,207.40
Northwestern Corporate Center Associates, L.P.	Northwestern Corporate Center Associates, L.P. c/o Grubb & Ellis 25300 Telegraph, Suite 170 Southfield, MI 48034	Cash	Sales (Southfield)	\$17,000.00
Northwestern Development Company "B"	Northwestern Development Company "B" c/o Blake Real Estate, Inc. 1150 Connecticut Avenue, N.W., Suite 801 Washington, D.C. 20036	Cash	Kivex Location (WDC)	\$6,933.33
Oakcrest Development	Oakcrest Development c/o Lewis Operating Corporation 5240 Polaris Avenue P. O. Box 19297 Las Vegas, NV 89132-5283	Cash	Shared Technologies Location (Las Vegas)	\$1,000.00
Olympia	Olympia Properties, L.L.C.	Cash	Sales	\$14,993.92

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
Properties, L.L.C.	c/o Jones Lang LaSalle Management Services 135 South LaSalle Street Department 3584 Chicago, Illinois 60675-3584		(Atlanta)	
One Illinois Center/Lincoln Property Company	Lincoln Property Company c/o LaSalle Bank, N.A. 135 South LaSalle Street, Department 1230 Chicago, IL 60674-1230	Cash	Sales (Chicago)	\$18,624.90
Orange County Business Ctr	Orange County Business Center LLC c/o SARES-REGIS Group 1221 East Dyer Road, Suite 210 Santa Ana, CA 92705	Cash	Switch (Santa Ana)	\$20,554.00
Philda Company	PhildaCompany 341 Broad Street Clifton, NJ 07013	Cash	Shared Technologies Location (South Hackensack)	\$108,250.00
Principle Mutual Life Ins	Principal Properties, L.P. c/o Denholtz Management Corporation 1600 St. Georges Avenue P. O. Box 1234 Rahway, NJ 07065	Cash	Shared Technologies Location (Hackensack)	\$27,124.00
Prospect West C LP	Prospect West C L.P. 2882 Prospect Park Drive, Suite 250 Rancho Cordova, CA 95670	Cash	Sales/Switch (Rancho Cordova)	\$55,000.00
Pyramid Investment Corp	Pyramid Investment Corporation c/o Lowe Enterprises Real Estate Group 600 Montgomery Street, 4th Floor San Francisco, CA 94111	Cash	Sales (San Francisco)	\$37,482.50
Rockey's Enterprises	Rockey's Enterprises 2305 South Fort Hood Street Killeen, Texas 76542	Cash	Switch (San Antonio)	\$19,665.00
Rockside Square One	Rockside Square One c/o The King Group 23625 Commerce Park Road Beachwood, OH 44122	Cash	Sales (Independence)	\$13,276.88

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
Rostand Associates, L.L.C.	89 Morningside Drive Milford, CT 06460	Cash	Shared Technologies Location (Milford)	\$1,600.00
Scott Properties	Scott Properties 300 Lock Road Deerfield Beach, FL 33442	Cash	Shared Technologies Location (Deerfield Beach)	\$2,500.00
Southfield TechneCenter LLC	Southfield TechneCenter RE 1, L.L.C. c/o Grubb & Ellis Management Services 26555 Evergreen Road, Suite 500 Southfield, MI 48076	Cash	Switch (Southfield)	\$25,850.00
Stanplace Ltd. Partnership c/o	Stanplace Limited Partnership c/o Transwestern Commercial Services 7979 East Tufts Avenue, Suite 211 Denver, CO 80237	Cash	Sales (Denver)	\$20,307.92
Sterling Network Ex, LLC	Sterling Network Exchange, LLC 650 Dundee Road, Suite 370 Northbrook, IL 60062	Cash	Switch (Phoenix)	\$25,000.00
Strasser & Associates/ Meadowlands Investments LLC	Meadowlands Investments LLC 137 Oak Drive Upper Saddle, NJ 07458	Cash	Switch (Secaucus)	\$43,385.42
Teachers Insurance & Annuity Association of America	Teachers Insurance & Annuity Association of America c/o CB Richard Ellis 22118 20th Avenue, S.E., Suite 138 Bothell, WA 98021-4417	Cash	Shared Technologies Location (Bothell)	\$5,100.00
The Irvine Company	Irvine Company c/o Insignia/ESG, Inc. One Technology Drive, Building G Irvine, CA 92618	Cash	Switch (Sunnyvale)	\$23,000.00
The Pennsylvania Building Co.	Pennsylvania Building Company 225 West 34th Street, Suite 707 New York, NY 10122	Cash	Shared Technologies Location (New York)	\$15,690.00
Touchstone Partners/ Integrated Real Estate Service	Touchstone Partners c/o Integrated Real Estate Services, Inc. 1015 Third Avenue, Suite 1010 Seattle, WA 98104	Cash	Sales (Bellevue)	\$32,000.00

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
T-Pac Investments	T-Pac Investments, Inc. 3146 Redhill Avenue, Suite 150 Costa Mesa, CA 92626	Cash	Shared Technologies Location (Santa Fe Springs)	\$5,085.00
Transwestern Hookston Square, L.L.C. (formerly held by WMP IV Real Estate LP)	Transwestern Hookston Square, L.L.C. 3480 Buskirk Avenue, Suite 290 Pleasant Hill, CA 94523	Cash	Sales (Pleasant Hill)	\$15,816.12
Trinity National Corporation	Trinity National Corporation c/o Goodwin Management, Inc. 11149 Research Boulevard, Suite 111 Austin, TX 78759-5227	Cash	Jump.Net Location (Austin)	\$20,000.00
Wachovia Bank (formerly held by First Union Nat'l Bank)	Wachovia Bank 225 Water Street, 4th Floor Jacksonville, FL 32202 Attn: CRE Tenant Management	Cash	Sales (Baltimore)	\$13,217.50
Webster Street Partners, Ltd.	Webster Street Partners, Ltd. c/o Wahl & Company 2101 Webster Street, 13th Floor Oakland, CA 94612	Cash	Operations (Oakland)	\$3,964.00
WHVPW Real Estate Limited Partnership	WHVPW Real Estate Company c/o Trammell Crow Company 1777 Sentry Park West Dublin Hall, Suite 104 Blue Bell, PA 19422	Cash	Shared Technologies Location (Valley Forge)	\$1,892.00
WHVPW Real Estate Limited Partnership	WHVPW Real Estate Limited Partnership c/o Trammell Crow Company 1777 Sentry Park West Dublin Hall, Suite 104 Blue Bell, Pennsylvania 19422	Cash	Shared Technologies Location (Valley Forge)	\$14,243.32
WXIII/FAR Yale Real Estate	WXIII/FAR Yale Real Estate Ltd. 6256 Greenwich Drive, Suite 130 San Diego, CA 92122	Cash	Switch (Boston)	\$35,417.92
<u>UTILITY SERVICE DEPOSITS</u>				
APS Business	APS Business Center	Cash	Utility Dep -	\$3,615.00

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
Center	2124 W Cheryl Drive Mail Station 3209 Phoenix, AZ 85021		2320 W Peoria Ave	
Burbank Water & Power	Burbank Water and Power 164 West Magnolia Blvd P.O. Box 631 Burbank, CA 91502	Cash	Utility Dep - 1022 N Lake	\$1,200.00
FPL	FPL Fibernet LLC 9250 W. Flager St., 5th Floor Miami, FL 33174 Attn: Gina Cox	Cash	Utility Dep – Tampa	\$463.00
Georgia Power Co.	Georgia Power 96 Annex Atlanta, GA 30396-0001	Cash	Utility Dep – Atlanta	\$1,030.00
Marietta Power	Marietta Power 675 North Marietta Parkway Marietta, GA 30060	Cash	Utility Dep - 1395 S Marietta Prkwy	\$2,174.00
Pacific Gas & Electric	Pacific Gas & Electric 2435 Mission St. San Francisco, CA 94107	Cash	San Fran Switch deposit	\$5,000.00
PECO Energy	Peco II Global Services Inc P.O. Box 910 1376 St Rt 598 Galion, OH 44833-0910	Cash	Utility Dep - Philadelphia	\$2,090.00
Potomac Electric Power Company	Potomac Electric Power Company 701 Ninth Street, N.W. Washington, D.C. 20068-0001	Cash	MD - Greenbelt - 7601 Ora Glen Drive (Account No. 3088 3352 22)	\$26,245.00
Potomac Electric Power Company	Potomac Electric Power Company 701 Ninth Street, N.W. Washington, D.C. 20068-0001	Cash	MD - Greenbelt - 7615-7637 Ora Glen Drive (Account No. 3101 5402	\$17,045.00

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
			21)	
Puget Sound Energy	Puget Sound Energy PYMNT Process GEN-02W PO Box 91269 Bellevue, WA 98009	Cash	Utility Dep - Seattle	\$296.00
Reliant Energy Retail	Reliant Energy Retail Payment Center P.O. Box 4932 Houston, TX 77210-4932	Cash	Utility Dep - 8601 Jameel Rd	\$3,400.00
Salt River Project	Salt River Project P.O. Box 2950 Phoenix AZ 85062-2950	Cash	Utility Dep - Phoenix	\$2,459.00
Snohomish County PUD	Snohomish County PUD P.O. Box 1107 Everett, WA 98206-1107	Cash	Utility Dep - 22118 20th Ave	\$315.00
Southern California Edison	Southern California Edison P.O. Box 600 Rosemead, CA 91771-0001	Cash	Utility Dep - Los Angeles	\$2,000.00
Southwest Gas Corporation	Southwest Gas Corporation PO Box 98890 Las Vegas NV 89150-0101	Cash	Utility Dep - Las Vegas	\$150.00
Teco (Tampa Electric)	TECO (Tampa Electric) PO Box 31318 Tampa FL 33631-3318	Cash	Tampa Electric Deposit	\$24,600.00
Town of Norwood	Town of Norwood P.O. Box 9101 Norwood, MA 02062	Cash	Utility Dep - Boston	\$400.00
United Illuminating	United Illuminating PO BOX 9230 Chelsea MA 021509230	Cash	Utility Dep - Connecticut	\$2,682.00
Xcel Energy	Xcel Energy P.O. Box 92002 Amarillo, TX 79120-6002	Cash	Utility Dep - Denver	\$750.00
<u>OTHER</u>				
AT&T	AT&T Corp.	Cash	Prepayment	\$10,397,293.00

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
	1200 Peachtree St. Atlanta, GA 30309 Attn: Norman Collins			
Bell South	BellSouth, Inc. 674 West Peachtree St. Atlanta, GA 30375 Attn: Sandra Cetti	Cash	Security Deposits for Access Service	\$1,074,464.00
BWC Better Worker's Comp	BWC Better Workers' Compensation BWC State Insurance Fund Corporate Processing Dept Columbus, OH 43271-0977	Cash	State Fund Worker's Comp Insurance	\$990.00
US West	U S West P. O. Box 12480 Seattle, WA 98111-4480	Cash	Service Deposit	\$13,500.00
Clarity Credit Total	Clarity Credit Corporation P.O. Box 98789 Las Vegas, NV 89193	Cash	Telephone Equipment	\$25,971.50
Enterprise Fleet Services	Enterprise Fleet Services 3860 West Northwest Highway, Suite 300 Dallas, TX 75220 Attn: Alan Kahn	Cash	Dep - fleet maintenance contract	\$80,000.00
Jim Hamlin	Jim Hamlin 600 Commerce Street Dallas, TX 75202-4606	Cash	Collateral for Court Case	\$100,000.00
JP Morgan Chase	JPMorganChase Purchasing Card Commercial Card Services P.O. Box 78970 Phoenix, AZ 85062-8970	Cash	Purchasing Card	\$400,561.53
Nextel Communications	Nextel Communications, Inc. 2001 Edmund Halley Drive Reston, Virginia 20191 Phone: (703) 433-4000 Attn: General Counsel	Cash	Technician Cell Phone Activation	\$4,000.00
Pacific Bell Industry Market	SBC Contract Administration ATTN: Notices Manager 311 S. Akard, 9th Floor Four Bell Plaza	Cash	Access Equip Deposit	\$64,882.00

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
	Dallas, TX 75202-5398 Facsimile: 214/464-2006 Phone: 214/464-1933			
Pacific Bell Industry Market	SBC Contract Administration ATTN: Notices Manager 311 S. Akard, 9th Floor Four Bell Plaza Dallas, TX 75202-5398 Facsimile: 214/464-2006 Phone: 214/464-1933	Cash	Equip Deposit San Fran	\$29,126.00
SMS 800	SMS 800 Service P.O. Box 7777-W5235 Philadelphia, PA 19175-5235	Cash	Service Deposit	\$4,000.00
Southern California Edison	Southern California Edison P.O. Box 600 Rosemead, CA 91771-0001	Cash	Surety Bond	\$42,390.00
State of Missouri	Missouri Department of Revenue Division of Taxation and Collection P.O. Box 295 Jefferson City, MO 65105	Cash	State of MO Employer Tax Deposit	\$20,131.56
Wright Express	Wright Express P.O. Box 6293 Carol Stream, IL 60197-6293	Cash	Fleet Security Deposit	\$134,000.00
<u>SHARED TECHNOLOGIES</u>				
Fallon Clinic, Inc.	Office of the Acting Chief Information Officer Worcester Office Tower 100 Front Street, 14th Floor Worcester, MA 01602	Cash	cashier's check in lieu of bid/performance bond	\$150,000.00
Joel Barlow High School	Director of Purchasing Easton-Redding-Region 9 605 Main Street Monroe, CT 06468 Attn: Jay Hubelbank	Cash	cashier's check in lieu of bid/performance bond	\$7,150.00
Southwest Preparatory	5820 Northwest Loop 410 San Antonio, TX 78238	Cash	cashier's check in lieu of bid/performance bond	\$151,093.00
Town of Hudson	Fernanda Santos, Office Manager	Cash	cashier's	\$3,750.00

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
	Town Hall 78 Main Street Hudson, MA 01749		check in lieu of bid/performance bond	
Yellowstone County	Yellowstone County Courthouse 217 North 27th Street Billings, MT 59101	Cash	cashier's check in lieu of bid/performance bond	\$14,000.00
<u>EQUIPMENT WAREHOUSES</u>				
Assured Industries Inc.	1600 Capital Avenue, #2 Plano, TX 75074 Rob Caldwell	equipment	- Customer Premises Equipment to be refurbished	\$150,000.00
Izon Ryerson Enterprises Inc.	6817 K Avenue, #101 Plano, TX 75074 James Ryerson	equipment	- Data equipment for sale on consignment	\$50,000.00
Pegasus Corporate Office	612 E. Dallas Rd, Suite 100 Grapevine, TX 76051 Alan Grayson 214-850-3649	equipment	- Critical spares for data network	\$75,000.00
Pegasus Warehouse c/o Pegasus Logistics Group Inc.	4050 Corporate Drive Grapevine, TX 76051 Alan Grayson 214-850-3649	equipment	- Customer Premises Equipment Telecom transmission equipment, switching equipment, Data network equipment, spare parts, hardware	\$8,000,000.00
Pegasus Agent, Metro T & C Inc.	52 Butler Street Elizabeth, NJ 07206 Alan Grayson 214-850-3649	equipment	- Critical spares for data network	\$75,000.00
Source Inc.	14060 Proton Rd Dallas, TX 75244 Tierney Goode 972-371-2740	equipment	- PBX and CPE equipment for sale on consignment	\$800,000.00
Test Technology	1825 Underwood Dr	equipment	- PBX and	\$500,000.00

<i>Company in Possession</i>	<i>Addresses</i>	<i>Type of Property</i>	<i>Description</i>	<i>Approx. Balance as of Recent Date</i>
Inc.	Delran, NJ 08075 Kelley Dunleavy 856-596-0900		CPE equipment for sale on consignment	

(1) The Debtors also own certain telecommunications equipment that is physically located in the regional Bell operating company's colocation facilities. As of April 29, 2003, the Debtors have 892 of these colocation sites. The approximate average cost of the equipment at each of these locations is \$132,000. The Debtors will provide additional information upon request.

SCHEDULE 5

PREMISES OWNED, LEASED OR HELD UNDER OTHER ARRANGEMENTS FROM WHICH THE DEBTORS OPERATE THEIR BUSINESSES

STATE	LOCATION	TYPE	STREET ADDRESS	ZIP	LANDLORD
AZ	Phoenix	Sales	4127-4129 East Van Buren Street, Building B - Suite 105	85004	Carlyle Airport Technology Trust
AZ	Phoenix	Switch	120 East Van Buren Street	85004	Sterling Network Exchange, LLC
AZ	Phoenix	Shared Technologies	2850 South 36th Street, Building A, Suite A1	85034	Lakeview Business Center
CA	Burbank	Shared Technologies	1022 North Lake Street	91502	Lake Street Industrial Partners
CA	Camarillo	Shared Technologies	3251 Corte Malpaso, Suite 507	93012	Gary A. Jones, Trustee of the Jones Family Trust
CA	Hayward	Shared Technologies	20949 Cabot Boulevard	94545	North Hayward Corporate Center Associates
CA	Los Angeles	Sales	818 West Seventh Street, Suite 705	90017	Downtown Properties LLC
CA	Los Angeles	Sales	818 West Seventh Street, Suite 710	90017	Downtown Properties LLC
CA	Los Angeles	Switch	818 West Seventh Street, Suite 320	90017	Downtown Properties LLC
CA	Los Angeles	Hosting.com (Virtualis)	5777 West Century Boulevard, Suite 310	90045	L.A.T. Investment Corporation
CA	Los Angeles	Hosting.com (Virtualis)	5777 West Century Boulevard, Suite 385/395	90045	L.A.T. Investment Corporation
CA	Newport Beach	Sales	4675 MacArthur Court, Suite 150	92660	The Irvine Company
CA	Newport Beach	Sales	4675 MacArthur Court, Suite 200	92260	The Irvine Company
CA	Oakland	Sales	2101 Webster Street, Suite 1580	94612	Webster Street Partners, Ltd.
CA	Ontario	Sales	3350 Shelby Street, Suite 150	91764	Chippewa Enterprises, Inc.
CA	Pleasant Hill	Sales	3480 Buskirk Avenue, Suites 301 and 335	94523	Transwestern Hookstone Square, L.L.C.
CA	Rancho Cordova	Sales	10995 Gold Center Drive, Suite 100	95670	Prospect West C L.P.
CA	San Diego	Hosting.com (CTSNet)	8913 Complex Drive, Suite B	92123	KM Complex, L.P.
CA	San Diego	Sales	6165 Greenwich Drive, Suite 300	92122	John Hancock Mutual Life Insurance Company
CA	San Diego	Switch	5761 Copley Drive, Suite 150	92111	FSP Telecom Business Center
CA	San Francisco	Sales	505 Sansome Street, 20th Floor	94111	Pyramid Investment Corporation
CA	San Francisco	Switch	651 Brannan Street, Suite 310	94107	W5 Brannan LP
CA	San Jose	Sales - Lease	1740 Technology Drive, Suite 450	95110	Equity Office Properties
CA	San Jose	Sales - Sublease	1740 Technology Drive, Suite 450	95110	Hitachi Electronic Devices
CA	Santa Ana	Switch	1251 East Dyer Road, Suite 150	92705	Orange County Business Center LLC
CA	Santa Ana	Switch	1221 East Dyer Road, Suite 215	92705	Orange County Business Center LLC
CA	Santa Fe Springs	Shared Technologies	9041 Dice Road, Unit 21	90670	T-Pac Investments, Inc. c/o Essex Realty Management
CA	Sunnyvale	Switch	677 Palomar Ave	94086	Insignia/ESG Sunnyvale
CO	Denver	Sales	7979 East Tufts Avenue Parkway, Suite 1000	80231	Stanplace Limited Partnership
CO	Englewood	Switch	9706 East Easter Avenue, Suite 100	80112	9706 LLC
CO	Lakewood	Shared Technologies	9197 West 6th Avenue, Suite 1000	80215	First Industrial Development Services, L.P.
CT	Milford	Shared Technologies	33 Railroad Avenue, Suites 5, 6, 8 & 11	06460	Rostand Associates, L.L.C.
DC	Washington D.C.	Regulatory	1919 "M" Street, N.W., Suite 420	20036	Conservation International Foundation
DC	Washington D.C.	Switch	1120 Vermont Avenue, N.W., Terrace Level	20005	1120 Vermont Avenue Associates
FL	Deerfield Beach	Shared Technologies	1525 N.W. 3rd Street, Suites 12 & 13	33442	Scott Properties
FL	Fort Lauderdale	Sales	2101 West Commercial Boulevard, Suite 4000	33309	Gaedeke Holdings, Ltd.
FL	Maitland	Shared Technologies	670 North Orlando Avenue, Suite 1012	32751	Exchange Center Partnership c/o John J. Roper Company
FL	Miami	Sales	7205 Corporate Center Drive, Building 5, Suite 200	33126	Miami RPFIV Airport Corporate Center Associates
FL	Miami	Switch	8790 N.W. 18th Terrace	33172	ADA Properties No. 2, Ltd.
FL	Tampa	Sales	4300 West Cypress Street, Suite 800	33607	Cornerstone Suburban Office, L.P.
FL	Tampa	Switch	8230 East Broadway Avenue, First Floor	33619	Zink Family Limited Partnership
FL	West Palm Beach	Sales	1400 Centrepark, Suite 605	33401	1400 Centrepark, LTD

STATE	LOCATION	TYPE	STREET ADDRESS	ZIP	LANDLORD
					c/o Parthenon Realty, LLC
GA	Atlanta	Sales	3500 Piedmont Road, N.E., Suite 340	30305	Olympia Properties, L.L.C. c/o Jones Lang LaSalle Management Services, Inc.
GA	Atlanta	Switch #1	55 Marietta Street, N.W., Suite 2100	30303	Bank Building Limited Partnership
GA	Atlanta	Switch #2	56 Marietta Street, N.W., Eighth Floor & Roof Space	30303	Marietta Street Partners , LLC
GA	Marietta	Shared Technologies	1395 South Marietta Parkway, Building 700, Suite 710	30067	LA/GA Business Centers, Inc. c/o Ackerman & Company
IL	Chicago	Sales	111 East Wacker Drive, 12th Floor	60601	Lincoln Property Company c/o LaSalle Bank, N.A.
IL	Chicago	Switch	140 South Dearborn, Suite 220	60603	John D. and Catherine T. MacArthur Foundation c/o The Marquette Building
IL	Lombard	Corporate/Operations	700 East Butterfield Road, Suites 300 & 400	60148	St. Paul Properties, Inc.
MD	Baltimore	Sales	7 St. Paul Street, Suite 450	21202	Wachovia Bank, N.A.
MD	Baltimore	Switch	100 South Charles Street, Suite 215	21202	Bank of America, N.A. c/o Trammell Crow Company
MD	Bethesda	Hosting.com (Kivex)	3 Bethesda Metro Center, Suites 300 & 450	20814	BRE/Metrocenter LLC c/o Realty Management Company
MD	Greenbelt	IBI (Intermedia)	7601 Ora Glen Drive	20770	BP Commerce, LLC
MD	Greenbelt	IBI (Intermedia)	7615-7637 Ora Glen Drive	20770	BP Commerce, LLC
MA	Boston	Sales	101 Federal Street, 9th Floor	02110	75-101 Federal St., L.L.C. c/o Equity Office Properties Trust
MA	Boston	Switch	451 "D" Street, 3rd Floor	02210	WXIII/FAR Yale Real Estate Limited Partnership
MA	Charlestown	Hosting.com (HarvardNet)	500 Rutherford Avenue	02129	Hood Business Park LLC
MA	Norwood	Shared Technologies	1400 Providence Highway, Building #3	02062	1400 Providence Highway Realty Trust c/o The Bulfinch Companies
MA	Waltham	Hosting.com (HarvardNet)	170 Tracer Lane	02451	Boston Properties Limited Partnership
MI	Pontiac	Coast to Coast	123/125 North Saginaw	48342	First Parker Realty L.L.C. c/o Franklin Management Company
MI	Southfield	Sales	24700 Northwestern Highway, Suite 400	48075	Northwestern Corporate Center Associates, L.P.
MI	Southfield	Switch	21455 Melrose Avenue, Suite 5	48075	Southfield TechnceCenter RE 1, L.L.C.
MN	Mendota Heights	Shared Technologies	1270 Northland Drive, Suite 125	55120	Mendota Office Holdings LLC c/o United Properties
MN	Minneapolis	Switch	250 Marquette Avenue South, First Floor	55401	FRM Associates, LLC c/o Marquette Plaza
MO	St. Louis	Sales	12655 Olive Boulevard, Suites 425 & 475	63141	Gateway Taft, Inc. c/o RREEF Real Estate Investment Managers
MO	St. Louis	Switch	710 North Tucker Boulevard, 4th Floor	63101	Globe Building Company
NV	Las Vegas	Shared Technologies	3275 West Ali Baba Lane, Suite 504	89118	Oakcrest Development c/o Lewis Operating Corporation
NJ	Hackensack	Shared Technologies	Two University Plaza, 6th Floor	07601	Principal Properties, L.P. c/o Denholtz Management, Inc.
NJ	Rutherford	Sales	201 Route17 North, Suite 102	07070	CIN Meadows, L.L.C. c/o Linque Management Company, Inc.
NJ	Secaucus	Switch	110 Meadowlands Parkway, First Floor	07094	Meadowlands Investments, L.L.C.
NJ	South Hackensack	Shared Technologies	150 Louis Street	07606	PhilaCompany
NY	Melville	Sales	One Huntington Quadrangle, Suite 1N05	11747	WE'RE Associates
NY	Melville	Shared Technologies	965 Walt Whitman Road, Unit 3024	11747	Shurgard of Melville
NY	New York	Sales	805 Third Avenue, 17th Floor	10022	Madison Third Building Companies, LLC c/o Cohen Brothers Realty Corporation
NY	New York	Switch (Original Space)	111 Eighth Avenue, 14th Floor	10011	111 Chelsea LLC c/o Insignia/ESG, Inc.
NY	New York	Switch (World Access)	111 Eighth Avenue, 14th Floor	10011	111 Chelsea LLC c/o Insignia/ESG, Inc.
NY	New York	Switch	60 Hudson Street, Suite 1213	10013	Hudson Telegraph Associates
NY	New York	Switch	225 West 34th Street, Rooms 2010, 2015 & 2016	10122	Pennsylvania Building Company, The

STATE	LOCATION	TYPE	STREET ADDRESS	ZIP	LANDLORD
NY	New York	Shared Technologies	750 Eighth Avenue, Suites 202	10036	G&C Realty Company, L.L.C. c/o Hotel Edison
NY	New York	Shared Technologies	750 Eighth Avenue, Suites 205/206/208	10036	G&C Realty Company, L.L.C. c/o Hotel Edison
NY	White Plains	Sales	3 Gannett Drive, Suite 100	10604	Eastridge Properties I Corporation
OH	Cleveland	Switch	1525 Rockwell Avenue, Building 2, Third Floor	44114	T-REX Technology Centers, LLC
OH	Independence	Sales	6155 Rockside Road, Suite 201	44131	Rockside Square One c/o The King Group
OR	Tigard	Sales & Switch	10575 S.W. Cascade Boulevard, Suite F	97223	AMB Property L.P.
PA	King of Prussia	Sales	1018 West Ninth Avenue, Suite 202	19406	ASP Valley Forge, L.P.
PA	Philadelphia	Hosting.com (Kivex)	1515 Market Street, 6th Floor	19102	1515 Market Street Associates c/o West World Management, Inc.
PA	Philadelphia	Sales	1818 Market Street, Suite 1430	19103	1818 Market VEF II, LLC c/o Albert B. Ashforth, LLC
PA	Philadelphia	Switch	401 North Broad Street, Suite 400	19108	Callowhill Management, Inc.
PA	Pittsburgh	Sales & Switch	Allegheny Center Office Concourse, Level A	15212	Allegheny Center Associates
PA	Valley Forge	Shared Technologies	2550 Eisenhower Avenue	19403	WHVPW Real Estate Limited Partnership c/o Trammell Crow Company
TX	Austin	Sales/Swith	11400 Burnet Road, First Floor	78758	JER/BRE Austin Tech, L.P. c/o Trammell Crow Central Texas, Ltd.
TX	Dallas	Corporate/Operations	1950 North Stemmons Freeway, Suites 2047, 2050, 3021, 3026, 3026B, 3054, 5065 & 5065B	75207	NeXcomm Asset Acquisition I, L.P.
TX	Dallas	Corporate/Operations	9101 & 9201 North Central Expressway	75231	NCX Office Development, L.P.
TX	Fort Worth	Sales	1300 Summit Avenue, Suite 500	76102	EOP – Summit Limited Partnership
TX	Houston	Sales	1415 Louisiana, Suite 3900	77002	1415 Louisiana K/LTD
TX	Houston	Switch	1301 Fannin Street, Suites 1050 & 1140	77002	Jones Lang LaSalle Management Services I
TX	Houston	Shared Technologies	8601 Jameel Road, Suite 100	77040	Midway Commerce Park Properties, L.P.
TX	San Antonio	Sales	100 North East Loop 410, Suite 250	78216	Massachusetts Mutual Life Insurance Company c/o Transwestern Commercial Services
TX	San Antonio	Switch	5308 Distribution Drive, First Floor	78218	Rockey's Enterprises
VA	Herndon	Shared Technologies	450 Spring Park Place	20171	CalEast Industrial Investors, LLC, Herndon Spring Park c/o CB Richard Ellis
VA	Vienna	Sales	8619 Westwood Center Drive, Suite 401	22182	Guardian Westwood LLC
WA	Bellevue	Sales	15500 S.E. 30th Place, Suite 202	98007	Touchstone Partners I LLC c/o Integrated Real Estate Services, L.L.C.
WA	Bothell	Shared Technologies	22118 20th Avenue, S.E., Building G, Unit 140	98021	Teachers Insurance & Annuity Association of America c/o CB Richard Ellis
WA	Seattle	Switch	1100 Second Avenue, First Floor	98101	EOP – Second and Spring, L.L.C. c/o Equity Office Properties Trust

SCHEDULE 6

**LOCATION OF DEBTORS' SUBSTANTIAL ASSETS AND
LOCATION OF BOOKS AND RECORDS**

<i>Company</i>	<i>Location of Substantial Assets and Books and Records, other than Corporate Stock and Minute Books</i>	<i>Location of Corporate Stock and Minute Books</i>
Allegiance Telecom, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom International, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom Company Worldwide	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom Service Corporation	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom Purchasing Company	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Arizona, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of California, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Colorado, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of The District of Columbia, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Florida, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148

Allegiance Telecom of Georgia, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Illinois, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Indiana, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Maryland, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Massachusetts, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Michigan, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Minnesota, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Missouri, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Nevada, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of New Jersey, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of New York, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of North Carolina, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148

Allegiance Telecom of Ohio, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Oklahoma, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Oregon, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Pennsylvania, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Texas, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Virginia, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Washington, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Telecom of Wisconsin, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Allegiance Internet, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Virtualis Systems, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Hosting.com, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
InterAccess Telecommunications Co.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148

Jump.Net, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Adgrafix Corporation	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Coast to Coast Telecommunications, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
ALGX Business Internet, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148
Shared Technologies Allegiance, Inc.	9201 N. Central Expressway Dallas, TX 75231	700 E. Butterfield Road Suite 400 Lombard, IL 60148

SCHEDULE 7

NATURE, PRESENT STATUS OF EACH ACTION OR PROCEEDING, PENDING OR THREATENED, AGAINST THE DEBTORS OR THEIR PROPERTY WHERE A JUDGMENT AGAINST THE DEBTORS OR A SEIZURE OF THEIR PROPERTY MAY BE IMMINENT

One Stop Realtour Place, Inc. (“Plaintiff/Debtor”) vs. Allegiance Telecom of Pennsylvania, Inc. and Allegiance Telecom, Inc., Bankruptcy Case Number 00-32344KJC, Adversary Case Number 00-825 filed in the U.S. Bankruptcy Court, Eastern District of Pennsylvania. Plaintiff/Debtor filed suit to get its phone service reinstated and is claiming damages in excess of \$1,000,000. The judge’s decision is pending.

SCHEDULE 8

THE DEBTORS' EXISTING SENIOR MANAGEMENT, THEIR TENURE WITH THE DEBTORS AND A SUMMARY OF THEIR RELEVANT RESPONSIBILITIES AND EXPERIENCE

Royce J. Holland, Chairman of the Board and Chief Executive Officer since August 1997. Mr. Holland has more than 25 years of experience in the telecommunications, independent power and engineering/construction industries. Prior to founding Allegiance in April 1997, Mr. Holland was one of several co-founders of MFS Communications, Inc. ("MFS Communications") where he served as President and Chief Operating Officer from April 1990 until September 1996 and as Vice Chairman from September 1996 to February 1997. In January 1993, Mr. Holland was appointed by President George Bush to the National Security Telecommunications Advisory Committee. Mr. Holland served as the Chairman of the Association for Local Telecommunications Services, the industry trade organization for the competitive local telephone sector, from December 1998 to January 2000. Mr. Holland was appointed by Texas Governor George W. Bush to the Texas (Electronic) E-Government Task Force in 1999 and subsequently served as a member of the Bush/Cheney presidential transition team in 2000-2001. Mr. Holland also presently serves on the board of directors of MetaSolv Software, Inc., a publicly traded telecommunications software provider.

C. Daniel Yost, President and Chief Operating Officer since February 1998 and Director since March 1998. Mr. Yost has more than 26 years of experience in the telecommunications industry. From July 1997 until he joined Allegiance, Mr. Yost was the President and Chief Operating Officer for U.S. Operations of Netcom On-Line Communications Services, Inc., a leading Internet service provider. Mr. Yost served as the President, Southwest Region of AT&T Wireless Services, Inc. from June 1994 to July 1997. From July 1991 to June 1994, Mr. Yost was the President, Southwest Region of McCaw Cellular Communications/LIN Broadcasting. Mr. Yost also presently serves on the board of directors of ADC Telecommunications Inc., a publicly traded telecommunications equipment and services company, Ace Cash Express Inc., a publicly traded provider of retail financial.

Thomas M. Lord, Co-founder of Allegiance, Director and Executive Vice President of Corporate Development and Chief Financial Officer since August 1997. Mr. Lord is responsible for overseeing the Company's mergers and acquisitions, corporate finance and investor relations' functions. Mr. Lord is an 18-year veteran in investment banking, securities research and portfolio management, including serving as a Managing Director of Bear, Stearns & Co. Inc. from January 1986 to December 1996. In the five-year period ending December 1996, Mr. Lord oversaw 43 different transactions valued in excess of \$6.2 billion for the telecommunications, information services and technology industries.

Anthony J. Parella, President, Retail and Telecom Services since August 2002 and Director since December 1999. Mr. Parella joined Allegiance in August 1997 as Regional Vice President-Central Division, was promoted to National Vice President of Field Sales in August 1998, Senior Vice President of Field Sales and Customer Care in October 1999 and Executive Vice President in July 2000. Mr. Parella has more than 10 years of experience in the telecommunications industry. Prior to joining the Company, Mr. Parella was Vice President and General Manager for MFS Intelenet, Inc., an operating unit of MFS Communications, from February 1994 to January 1997, where he was responsible for the company's sales and operations in Texas. Mr. Parella also served as Director of Commercial Sales for Sprint Corporation from 1991 to January 1994.

Mark B. Tresnowski, Executive Vice President and General Counsel since February 1999. Mr. Tresnowski has been the Secretary of Allegiance since September 1997. Mr. Tresnowski practiced law at Kirkland & Ellis for 13 years and was a partner of that firm from October 1992 to January 1999.

In private practice, Mr. Tresnowski specialized in private and public financings, mergers and acquisitions and securities law.

Kevin M. Joseph, Senior Vice President of Government and External Affairs since June 2001.

Mr. Joseph joined the Company in March 2000 as Vice President of Government Affairs. Prior to that, Mr. Joseph was Vice President of Government Affairs for AT&T Broadband from February 1999 to March 2000. Mr. Joseph served on the United States Senate Committee on Commerce, Science and Transportation Subcommittee on Communications from 1991 to 1999 and was Senior Counsel to this Committee from 1996 to 1999. From 1988 to 1991, Mr. Joseph also served on the U.S. Representatives' Committee on Energy and Commerce, Subcommittee on Telecommunications and Finance. Mr. Joseph presently serves on the board of directors to the Hollings Cancer Center at the Medical University of South Carolina and as a member of the board to Spoleto Festival USA.

G. Clay Myers, Senior Vice President of Finance and Accounting since December 1999. Prior to this position at Allegiance, Mr. Myers was the Vice President, Finance, Chief Financial Officer and Treasurer of PageMart Wireless, Inc. Prior to PageMart, Mr. Myers was Senior Operations Manager for Dell Computer Corporation from 1991 to 1993 and was with Ernst & Young, LLP from 1982 to 1991. Mr. Myers is a certified public accountant.

J. Timothy Naramore, Senior Vice President and Chief Information Officer since July 2000.

Mr. Naramore joined the Company as Director of Web Enablement in June 1998 and later became Vice President of Information Systems in September 1999. Mr. Naramore brings over 18 years of information systems development experience to his role and is currently responsible for developing, implementing and supporting the Company's internal back office systems. Prior to joining Allegiance, Mr. Naramore served as Director of Engineering at Netcom On-Line Communications Services, Inc. overseeing the development of their web hosting operation, from May 1997 to June 1998. Prior to that, Mr. Naramore held a variety of technical and leadership positions in the information systems group at Frito-Lay, Inc. from 1988 to 1997.

Lawrence E. Strickling, Senior Vice President of Industry Development since June 2002. Prior to that, Mr. Strickling was executive vice president and general counsel of CoreExpress, a privately held Internet startup company, and a member of the board of directors of NetworkPlus, a competitive local exchange carrier. From 1998 to 2000, Mr. Strickling was Chief of the Common Carrier Bureau at the Federal Communications Commission. Prior to joining the FCC, Mr. Strickling held a number of legal and regulatory positions at Ameritech, including Vice President-Public Policy from 1993-97 and Vice President and Associate General Counsel from 1991-93. Prior to joining Ameritech in 1987, Mr. Strickling was a partner at the law firm of Kirkland & Ellis.

Deborah Surette, President, Broadband and Wholesale Services since January 2003. Ms. Surette comes to Allegiance with over twenty years of experience in the telecommunications industry. Prior to joining Allegiance, Deborah spent sixteen years with WorldCom. Most recently, she was Senior Vice President of WorldCom's Major and National Account Organization for approximately two years, responsible for managing a sales division with over \$4 billion in annual revenues. Deborah's organization managed relationships with both mid-size and large corporate clients. Her team was also responsible for sales engineering, project management and maintenance of these services for clients. Prior to that position, Ms. Surette was a Regional Vice President of WorldCom responsible for the Eastern Division for approximately four years. Prior to her career with WorldCom, Deborah was a Director of Sales for Cable and Wireless Communications for four years.

SCHEDULE 9

**ESTIMATED AMOUNT OF BI-WEEKLY PAYROLL TO
EMPLOYEES EXCLUSIVE OF OFFICERS, DIRECTORS AND STOCKHOLDERS
AND PARTNERS FOR THE THIRTY-DAY PERIOD
FOLLOWING THE COMMENCEMENT DATE**

Bi-Weekly Payroll ⁽¹⁾	
Week 1	\$6,972,040
Week 2	\$150,000 ⁽²⁾
Week 3	\$8,862,947 ⁽³⁾
Week 4	\$150,000 ⁽²⁾
Week 5	\$6,972,040
TOTAL:	\$23,107,027

(1) Payroll dates occur every other week (for example, payroll dates include May 16, 2003, May 30, 2003, and June 13, 2003) for most of Debtors' employees.

(2) Paychecks for employees covered by collective bargaining agreements are paid weekly.

(3) Includes estimated commissions which are paid at the end of each month.

SCHEDULE 10

**ESTIMATED AMOUNTS TO BE PAID TO OFFICERS,
DIRECTORS, STOCKHOLDERS AND FINANCIAL CONSULTANTS
FOR SERVICES RENDERED DURING THE THIRTY-DAY PERIOD
FOLLOWING THE COMMENCEMENT DATE**

Bi-Weekly Payroll*	
Week 1	\$508,719
Week 2	-
Week 3	\$885,392 **
Week 4	-
Week 5	\$508,719
TOTAL:	\$1,902,830

* Payroll dates occur every other week (for example, payroll dates include May 16, 2003, May 30, 2003, and June 13, 2003).

** Includes estimated commissions which are paid at the end of each month, and estimated payments to financial consultants paid monthly in arrears.

SCHEDULE 11

**DEBTORS' ESTIMATED CASH DISBURSEMENTS AND RECEIPTS
FOR THE THIRTY-DAY PERIOD FOLLOWING THE COMMENCEMENT DATE**

Cash Receipts	\$77,300,000
Cash Disbursements	\$108,000,000 ⁽¹⁾
Net Cash Needs	\$30,700,000
Unpaid Obligations	Undetermined
Unpaid Receivables	Undetermined

(1) Includes cash interest payment on debt under the Prepetition Credit Agreement but does not include any interest on the Senior Discount Notes or the Senior Notes.