

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

	X	
In re	:	
	:	Chapter 11 Case No.
Allegiance Telecom, Inc., <u>et al.</u> ,	:	03-_____ ()
	:	
Debtors.	:	Jointly Administered
	X	

**ORDER PURSUANT TO SECTIONS 105(a),
363, 1107 AND 1108 OF THE BANKRUPTCY CODE
AUTHORIZING (A) MAINTENANCE OF EXISTING BANK
ACCOUNTS, (B) CONTINUED USE OF EXISTING BUSINESS FORMS
AND (C) CONTINUED USE OF EXISTING CASH MANAGEMENT SYSTEM**

Upon the motion (the “Motion”), dated May 14, 2003, of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”) seeking entry of an order, pursuant to sections 105(a), 345, 363, 1107 and 1108 of the Bankruptcy Code,¹ authorizing the Debtors to (a) maintain existing bank accounts, (b) continue to use existing checks, correspondence and business forms, (c) continue to use the existing cash management system and (d) invest Funds using the Debtors’ existing Investment Guidelines, as more fully set forth in the Motion; and it appearing that the Court has jurisdiction to consider and determine the Motion as a core proceeding in accordance with 28 U.S.C. §§ 157 and 1334; and it appearing that the relief requested is in the best interests of the Debtors’ estates, their creditors and other parties in interest; and due and proper notice of the Motion having been given and no further notice need be given; and after due deliberation and sufficient cause appearing therefor; it is

ORDERED that the Motion is granted; and it is further

¹ Unless otherwise defined herein, capitalized terms shall have the meaning ascribed to them in the Motion.

ORDERED that the Debtors are authorized, but not directed, in the reasonable exercise of their business judgment, to (i) designate, maintain and continue to use, with the same account numbers, all of the bank accounts in existence on the Commencement Date, including, without limitation, those accounts identified on Exhibit "A" to the Motion (the "Bank Accounts"), (ii) use, in their present form, all correspondence and business forms (including, but not limited to, letterheads, purchase orders, invoices and customer contracts), as well as checks existing immediately prior to the Commencement Date, without reference to their status as debtors in possession, and other documents related to the Bank Accounts and (iii) treat the Bank Accounts and any other bank accounts opened by the Debtors postpetition for all purposes as accounts of the Debtors as debtors in possession; provided, however, that, as soon as practicable, the Debtors shall manually imprint the legend "debtor in possession" on existing checks, and provided, further, that if the check stock is depleted, then the Debtors shall obtain new check stock reflecting their status as debtors in possession; and it is further

ORDERED that the Debtors are authorized to continue utilizing their integrated cash management system to manage their cash, to pay intercompany payables and extend intercompany credit, in a manner consistent with the Debtors' prepetition practice; and it is further

ORDERED that nothing contained herein shall prevent the Debtors from opening any new bank accounts or closing any existing bank accounts as they may deem necessary and appropriate in their sole discretion; and it is further

ORDERED that the Debtors shall cause a copy of this Order to be served on all of the banks at which any Bank Account or Investment Account is maintained within five (5) business days of the date hereof; and it is further

ORDERED that the Debtors are hereby authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Dated: New York, New York
May 15, 2003

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE