

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	X
	:	
Allegiance Telecom, Inc., <u>et al.</u> ,	:	Chapter 11 Case No.
	:	03-13057 (RDD)
	:	
Debtors.	:	Jointly Administered

**FINAL ORDER AUTHORIZING AND APPROVING THE
RETENTION OF BANKRUPTCY MANAGEMENT CORPORATION
AS NOTICE, CLAIMS AND BALLOTING AGENT FOR THE DEBTORS**

Upon the application (the "Application"), dated May 14, 2003, of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (the "Debtors"), seeking entry of an order, pursuant to 28 U.S.C. § 156 and rule 5075-1 of the Local Bankruptcy Rules for the Southern District of New York, authorizing and approving the retention of Bankruptcy Management Corporation ("BMC"), as notice, claims and balloting agent to the Debtors, as more fully set forth in the Application; and upon the Affidavit of Tinamarie Feil, a Vice President of BMC dated May 13, 2003; and a hearing to consider the Application having been held on May 15, 2003 (the "Interim Hearing"); and an order approving the Application on an interim basis having been entered on May 16, 2003; and a hearing to consider the Application on a final basis having been held on June 13, 2003 (the "Final Hearing" and together with the Interim Hearing, the "Hearings"); and the Court having jurisdiction to consider and determine the Application as a core proceeding pursuant to 28 U.S.C. §§ 157 and 1334; and that their employment is necessary and would be in the best interests of the Debtors and their estates; and it appearing that due and proper notice of the Application has been given; and after due deliberation and sufficient cause appearing therefor it is

ORDERED that pursuant to 28 U.S.C. § 156(c) and Local Bankruptcy Rule 5075-1, the Debtors' employment of BMC as its notice, claims and balloting claims agent in this case upon the terms and conditions set forth in the Application and Retention Agreement,¹ effective as of the commencement of this case, is approved; and it is further

ORDERED that payment by the Debtors to BMC for any services, other than those specifically described in the Retention Agreement, shall be subject to a final fee application in accordance with sections 330 and 331 of the Bankruptcy Code; and it is further

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

Dated: New York, New York
June 13, 2003

/s/Robert D. Drain
United States Bankruptcy Judge

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