

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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

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**FINAL ORDER AUTHORIZING THE EMPLOYMENT AND  
RETENTION OF TOGUT, SEGAL & SEGAL LLP AS  
ATTORNEYS FOR THE DEBTORS AND DEBTORS IN POSSESSION**

Upon the application (the "Application") of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"), seeking entry of an order (the "Order"), pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the "Bankruptcy Code"), authorizing the Debtors to employ and retain the law firm of Togut, Segal & Segal LLP ("TS&S") as their attorneys under a general retainer, all as more fully set forth in the Application; and upon the affidavit of Albert Togut, the senior member of TS&S, sworn to on May14, 2003 (the "Togut Affidavit"), which is annexed to the Application; and the Court being satisfied, based on the representations made in the Application and the Togut Affidavit, that TS&S does not hold or represent any interest adverse to the Debtors or their estates and is "disinterested", as that term is defined in section 101(14) the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code and that their employment is

necessary and would be in the best interests of the Debtors and their estates; and this Court having made an Order dated May 15, 2003 authorizing the retention of TS&S on an interim basis, and no objections to the retention of TS&S having been made; and sufficient notice of the Application having been given; and this Court having jurisdiction to consider and determine the Application as a core proceeding pursuant to 28 U.S.C. §§ 157 and 1334; and after due deliberation and sufficient cause appearing therefor, it is hereby

**ORDERED** that the Application be, and it hereby is, granted; and it is further

**ORDERED** that, pursuant to section 327(a) and 328(a) of the Bankruptcy Code, the Debtors are authorized to employ and retain TS&S as their attorneys under a general retainer on the terms set forth in the Application and the Togut Affidavit, effective as of the Commencement Date; and it is further

**ORDERED** that TS&S shall apply for compensation and reimbursement in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, applicable Federal Rules of Bankruptcy Procedure, Local Bankruptcy Rules for the Southern District of New York (the "Local Rules"), guidelines established by the United States Trustee, and such other procedures as may be fixed by this Court; and it is further

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

Dated: New York, New York  
June 13, 2003

/s/Robert D. Drain  
United States Bankruptcy Judge