

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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

**ORDER AUTHORIZING THE RETENTION OF
AKIN GUMP STRAUSS HAUER & FELD LLP,
AS COUNSEL TO THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS OF ALLEGIANCE
TELECOM, INC., ET AL., NUNC PRO TUNC TO MAY 28, 2003**

Upon the application dated July 11, 2003 (the "Application") of the Official Committee of Unsecured Creditors (the "Committee") of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for an order, pursuant to sections 328 (a) and 1103(a) of title 11 of the United States Code (the "Bankruptcy Code") and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), authorizing the Committee to employ and retain the law firm of Akin Gump Strauss Hauer & Feld LLP ("Akin Gump"), nunc pro tunc to May 28, 2003, and upon the Affidavit of Ira S. Dizengoff, Esq., a member of the firm of Akin Gump, dated July 11, 2003, and the First Supplemental Affidavit of Ira S. Dizengoff, Esq., dated July 28, 2003 (the "Dizengoff Affidavits"); and it appearing that the members, counsel and associates of Akin Gump who will be engaged in these chapter 11 cases are duly qualified to practice before this Court; and the Court being satisfied, based on the representations made in the Application and the Dizengoff Affidavits, that Akin Gump represents no interest adverse to the Committee and/or the Debtors' estates with respect to the matters upon which it is to be engaged, that Akin Gump is a "disinterested person" as that term is defined in section 101(14) of the

Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, that its employment is necessary and would be in the best interest of the Committee and the Debtors' estates; and finding that adequate notice of the Application having been given; and it appearing that no other notice need be given; and after due deliberation and sufficient cause appearing therefore, it is

ORDERED that the Application is approved; and it is further

ORDERED that, in accordance with section 1103(a) and, with respect to Akin Gump's hourly rates, section 328(a) of the Bankruptcy Code and Bankruptcy Rule 2014(a), the Committee is hereby authorized and empowered to employ and retain the firm of Akin Gump as its counsel, nunc pro tunc to May 28, 2003, to represent it in these cases under chapter 11 of the Bankruptcy Code and such retention is hereby approved; and it is further

ORDERED that upon the Application and the Dizengoff Affidavits, the Court finds that Akin Gump does not hold or represent any interest adverse to the estates and that Akin Gump is a disinterested person; and it is further

ORDERED that Akin Gump shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, such Bankruptcy Rules and Local Bankruptcy Rules as may then be applicable from time to time, and such procedures as may be fixed by order of this Court.

ORDERED that the law firm of Togut Segal & Segal LLP ("TS&S") is hereby authorized to investigate all payments made to Akin Gump by the Debtors prior to commencement of these chapter 11 cases, to determine whether any such payments may be avoidable as preferences pursuant to section 547 of the Bankruptcy Code; and it is further

ORDERED that Akin Gump shall waive its right to litigate the determination made by TS&S regarding the avoidability or non-avoidability of prepetition payments made by the Debtors to Akin Gump; and it is further

ORDERED that any determination made by TS&S regarding the avoidability or non-avoidability of payments made by the Debtors to Akin Gump prior to the commencement of these chapter 11 cases shall be subject to the approval of this Court upon a motion brought by the Debtors in accordance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

Dated: July 29, 2003
New York, New York

/s/Robert D. Drain
HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE