

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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

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**ORDER SHORTENING NOTICE, PURSUANT TO RULES  
2002(a) AND 9006(c) OF THE FEDERAL RULES OF BANKRUPTCY  
PROCEDURE, WITH RESPECT TO A HEARING ON THE MOTION  
OF THE DEBTORS, PURSUANT TO SECTIONS 105(a), 363(b)(1) AND  
365 OF THE BANKRUPTCY CODE, FOR AN ORDER APPROVING  
AND AUTHORIZING KEY EMPLOYEE RETENTION PROGRAM**

Upon the motion, dated August 11, 2003 (the “Motion”), of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”), for an order, pursuant to Bankruptcy Rules<sup>1</sup> 2002(a)(2) and 9006(c)(1), shortening notice for the hearing on the motion, dated August 11, 2003, for an order, pursuant to sections 105(a), 363(b)(1) and 365 of Bankruptcy Code, approving and authorizing key employee retention program (the “KERP Motion”), as it relates to the Priority Key Employees, as more fully set forth in the Motion; and upon the Affidavit of Jonathan S. Henes, Esq. in support of the Motion; and it appearing that the Court has jurisdiction over this matter; and due and proper notice of the Motion has been given, and no other or further notice is required; and it further appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors; and after due deliberation and sufficient cause appearing therefor; it is

ORDERED that the Motion is granted; and it is further

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

ORDERED that the twenty-day notice period, otherwise applicable to a hearing for approval of the KERP Motion, is shortened to eight (8) days pursuant to Bankruptcy Rules 2002(a)(2) and 9006(c)(1); and it is further

ORDERED that (a) notice of the KERP Motion and the hearing thereon by overnight mail or, where appropriate, by hand delivery, shall be provided by the Debtors on August 11, 2003 to (i) the U.S. Trustee, (ii) attorneys for the Creditors Committee, (iii) attorneys for the Prepetition Lenders and (iv) each person or entity on the Master Service List maintained in these chapter 11 cases; and (b) such notice shall constitute sufficient notice of the KERP Motion as it relates to the Priority Key Employees; and it is further

ORDERED that the hearing to consider the KERP Motion, as it relates to the Priority Key Employees, shall be held on August 19, 2003, at 10:00 a.m., or as soon thereafter as the Debtors are heard, before the Hon. Robert D. Drain, United States Bankruptcy Judge, in Room 610 of the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004-1408; and it is further

ORDERED that the deadline for the service and filing of objections to the KERP Motion shall be 4:00 p.m., prevailing Eastern Time, on August ~~16~~18, 2003.

Dated: New York, New York  
August 11, 2003

Robert D. Drain  
UNITED STATES BANKRUPTCY JUDGE