

**PRESENTMENT DATE AND TIME: September 15, 2003 at 12:00 noon**  
**OBJECTION DEADLINE: September 15, 2003 at 11 :00 a.m.**

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**Citigroup Center**  
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**Jonathan S. Henes (JH-1979)**

**Attorneys for Debtors and Debtors in Possession**

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

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

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**NOTICE OF APPLICATION OF DEBTORS PURSUANT TO BANKRUPTCY  
RULE 3003(c)(3) FOR ORDER FIXING FINAL DATE FOR FILING CERTAIN  
PROOFS OF CLAIM, APPROVING PROPOSED PROOF OF CLAIM FORM,  
APPROVING PROPOSED BAR DATE NOTICE, AND APPROVING  
PROPOSED NOTICE AND PUBLICATION PROCEDURES**

PLEASE TAKE NOTICE that upon the annexed application, dated September 10, 2003 (the "Application") of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (the "Debtors"), for an order (the "Order"), pursuant to rule 3003(c)(3) of the Federal Rules of Bankruptcy Procedure, fixing a final date for filing certain proofs of claim, approving the proposed proof of claim form, approving proposed bar date notice, and approving proposed notice and publication procedures, all as more fully set forth in the Application, the Order will be presented 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, for signature on September 15, 2003 (the "Presentment Date"), at 12:00 noon (prevailing Eastern Time).

PLEASE TAKE FURTHER NOTICE that any objections to the Application must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (General Order M-242 and the User's Manual for the Electronic Case Filing System can be found at <http://www.nysb.uscourts.gov>, the official website for the Bankruptcy Court), by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect or any other Windows-based word processing format (with a hard-copy delivered directly to Chambers), and shall be served in accordance with General Order M-242, upon (i) Kirkland & Ellis LLP, Citigroup Center, 153 East 53<sup>rd</sup> Street, New York, New York 10022 (Attn: Samuel S. Kohn, Esq.), and (ii) the Office of the United States Trustee, 33 Whitehall Street, 21st floor, New York, New York 10004 (Attn: Pamela J. Lustrin, Esq.), so as to be

received no later than September 15, 2003, at 11:00 a.m. (prevailing Eastern Time). Unless objections are timely received, there will not be a hearing, and the Order may be signed on the Presentment Date.

Dated: New York, New York  
September 10, 2003

Respectfully submitted,

/s/ Jonathan S. Henes  
Matthew A. Cantor (MC-7727)  
Jonathan S. Henes (JH-1979)  
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Attorneys for Debtors and Debtors in Possession

**PRESENTMENT DATE AND TIME: September 15, 2003 at 12:00 noon**  
**OBJECTION DEADLINE: September 15, 2003 at 11 :00 a.m.**

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**SOUTHERN DISTRICT OF NEW YORK**

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

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**APPLICATION OF DEBTORS FOR ORDER PURSUANT TO  
BANKRUPTCY RULE 3003(c) FIXING FINAL DATE  
FOR FILING CERTAIN PROOFS OF CLAIM, APPROVING PROPOSED  
PROOF OF CLAIM FORMS, APPROVING PROPOSED BAR DATE NOTICE,  
AND APPROVING PROPOSED NOTICE PROCEDURES**

TO THE HONORABLE ROBERT D. DRAIN,  
UNITED STATES BANKRUPTCY JUDGE:

Alliance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, "Alliance or the "Debtors"), respectfully represent:

**Introduction**

1. On May 14, 2003 (the "Commencement Date"), the Debtors each commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Bankruptcy Code (the "Bankruptcy Code"). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107 and

1108 of the Bankruptcy Code. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

2. No trustee or examiner has been appointed in these chapter 11 cases. On May 28, 2003, pursuant to sections 1102 of the Bankruptcy Code, the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed a statutory creditors' committee (the "Creditors' Committee") in these chapter 11 cases.

### **Jurisdiction**

3. This Court has subject matter jurisdiction to consider and determine this Application pursuant to 28 U.S.C. § 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

### **Background**

4. Allegiance is a facilities-based national local exchange carrier that provides integrated telecommunications products and services to small and medium-sized business customers, large businesses (*i.e.*, national customers with multiple locations), governmental entities, wholesale customers and other institutional users. Allegiance offers its customers a variety of services, including:

- local and long distance voice services, including basic telephone services and advanced calling features;
- broadband and other Internet and data services, including high-speed Internet access, wide area network interconnection, domain name registration, web hosting, email and colocation services;
- integrated local long distance/Internet access offerings, which provide customers with integrated voice and Internet access over a single broadband line;
- wholesale services to other regional and national service providers, including equipment colocation, managed modem ports and Internet protocol traffic aggregation; and

- customer premise equipment sales and maintenance services.

5. As of the Commencement Date, Allegiance served more than 100,000 business customers in major markets throughout the United States. As of June 30, 2003, Allegiance employed approximately 3,300 people, of which approximately 91 employees were covered by collective bargaining agreements.

6. As of June 30, 2003, the Debtors had approximately \$269.2 million of unrestricted cash on hand. As of June 30, 2003, the Debtors' consolidated books and records reflected assets totaling approximately \$1.292 billion and liabilities totaling approximately \$1.459 billion. For the six months ending June 30, 2003, the Debtors, on a consolidated basis, reported revenues of approximately \$401.2 million and net losses of approximately \$212.4 million.

### **The Bar Date**

7. Bankruptcy Rule 3003(c)(3) provides that the Court shall fix the time within which proofs of claim must be filed in a chapter 11 case pursuant to section 501 of the Bankruptcy Code. Bankruptcy Rule 3003(c)(2) provides that any creditor whose claim is not scheduled in the debtor's statements of financial affairs, schedules of assets and liabilities and schedules of executory contracts or whose claim is scheduled as disputed, contingent or unliquidated must file a proof of claim.

8. Accordingly, the Debtors request that the Court establish November 10, 2003, at 5:00 p.m. (prevailing Eastern Time), as the last date and time by which proofs of claim must be filed in these chapter 11 cases (the "Bar Date").<sup>1</sup>

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<sup>1</sup> Pursuant to section 502(b)(9) of the Bankruptcy Code, "a claim of a governmental unit shall be timely filed if it is filed before 180 days after the date of the order for relief. . . ." 11 U.S.C. § 502(b)(9). Accordingly, the last date  
(Continued...)

9. The fixing of November 10, 2003 as the Bar Date will enable the Debtors to receive, process and begin their analysis of creditors' claims in a timely and efficient manner. Based on the notice procedures set forth below, such date will give all creditors ample opportunity to prepare and file proofs of claim.

10. Pursuant to the proposed order annexed hereto as Exhibit "A" (the "Bar Date Order"), each person or entity (including, without limitation, each individual, partnership, joint venture, corporation, estate, trust and governmental unit) that asserts a claim (as defined in section 101(5) of the Bankruptcy Code) against the Debtors that arose prior to the Commencement Date must file an original, written proof of such claim which substantially conforms to Official Form No. 10 so as to be received on or before the Bar Dates by the Debtors' Court appointed claims agent, Bankruptcy Management Corporation ("BMC"), either by mailing the original proof of claim to Allegiance Claims Docketing Center, United States Bankruptcy Court for the Southern District of New York, P.O. Box 95, Bowling Green Station, New York, New York 10274-0095 or by delivering the original proof of claim by messenger or overnight courier to Allegiance Claims Docketing Center, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, Room 534, New York, New York 10004-1408 (together, the "Allegiance Claims Docketing Center"). The Debtors request that the Bar Date Order provide that (a) proofs of claim sent in any other manner, such as by facsimile, telecopy or electronic mail transmission will not be accepted, and (b) all proofs of claim be deemed timely filed only if actually received by the Allegiance Claims Docketing Center on or before the Bar Date.

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and time by which proofs of claim must be filed by governmental units in these chapter 11 cases is November 10, 2003, *i.e.*, the Bar Date.

11. Pursuant to the proposed Bar Date Order, the following persons or entities are not required to file a proof of claim on or before the Bar Date:

- a. any person or entity that has already properly filed, with the Clerk of the United States Bankruptcy Court for the Southern District of New York, a proof of claim against the applicable Debtor or Debtors, utilizing a claim form which substantially conforms to the Official Form No. 10;
- b. any person or entity (i) whose claim is listed on the Debtors' Statements of Financial Affairs, Schedules of Assets and Liabilities and Schedules of Executory Contracts (collectively, the "Schedules"), (ii) whose claim is not described on such Schedules as "disputed," "contingent," or "unliquidated," and (iii) who does not dispute the amount or nature of the claim for such person or entity as set forth in the Schedules;
- c. any person having a claim under sections 503(b) or 507(a) of the Bankruptcy Code as an administrative expense of any of the Debtors' chapter 11 cases;
- d. any person or entity whose claim has been paid in full by any of the Debtors;
- e. a Debtor in these chapter 11 cases having a claim against another Debtor;
- f. any person or entity that holds a claim that has been allowed by an order of this Court entered on or before the Bar Date;
- g. any person or entity that holds a claim arising out of or based solely upon an equity interest in the Debtors; and
- h. any person or entity whose claim is limited exclusively to the repayment of principal, interest, and/or other applicable fees and charges (a "Debt Claim") on or under any bond or note issued by the Debtors (the "Debt Instruments"); *provided, however*, that (i) the foregoing exclusion in this subparagraph shall not apply to the Indenture Trustee under the applicable Debt Instruments (the "Indenture Trustee"), (ii) the Indenture Trustee shall be required to file one proof of claim, on or before the Bar Date, on account of all of the Debt Claims on or under each of the Debt Instruments and (iii) any holder of a Debt Claim wishing to assert a claim, other than a Debt Claim, arising out of or relating to the Debt Instruments shall be required to file a proof of claim on or before the Bar Date, unless another exception in this paragraph applies.



12. The Debtors also request that the Bar Date Order provide that any person or entity that holds a claim that arises from the rejection of an executory contract or unexpired lease as to which the order authorizing such rejection is dated on or before ten (10) days after the date the Court enters the Bar Date Order must file a proof of claim form based on such rejection on or before the Bar Date. Any person or entity holding a claim that arises from the rejection of an executory contract or unexpired lease as to which the order authorizing such rejection is dated ten (10) days after the date the Court enters the Bar Date Order must file a proof of claim form based on such rejection on or before such date as the Court may fix in the applicable order authorizing the rejection of such contract or lease.

#### **Form of Proof of Claim**

13. Due to the size and complexity of these chapter 11 cases, the Debtors, with the assistance of BMC, have prepared a proof of claim form tailored to conform to these chapter 11 cases (the “Proof of Claim”). A proposed Proof of Claim form, which is based on Official Form 10, is annexed hereto as Exhibit “B.”

14. For each creditor whose claim has been listed in the Schedules, the Debtors propose to include in the upper right hand of the corner of the Proof of Claim form sent to such creditor a description of (a) the amount of such creditor’s claim<sup>2</sup> against a specific Debtor (if such information is reasonably ascertainable), as reflected in the Schedules;<sup>3</sup> (b) the type of claim held by such creditor (*i.e.*, non-priority unsecured, priority unsecured, or secured), and (c)

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<sup>2</sup> If the creditor’s prepetition claim was paid postpetition, in whole or in part, pursuant to an order of the Court, the amount appearing on the upper right hand corner of the Proof of Claim will reflect the net amount of such claim (*i.e.*, reduced by the postpetition payment).

<sup>3</sup> If the creditor holds claims against more than one Debtor, such creditor will receive multiple Proofs of Claim, and each such Proof of Claim will reflect the claim of such creditor against each such Debtor, as listed in the Schedules.

whether such claim is disputed, contingent, or unliquidated. This will permit the creditor to readily ascertain how its claim is scheduled against a specific Debtor without having to examine the Schedules. If the Proof of Claim does not identify a specific Debtor or the creditor disagrees with the Debtor identified on the Proof of Claim, the creditor is required to file a Proof of Claim identifying the Debtor against which the creditor is asserting a claim. The Debtors request the Court to approve the proposed Proof of Claim form.

15. Other modifications to the Official Form proposed by the Debtors include the following:

- a. allowing the creditor to correct any incorrect information contained in the name and address portion;
- b. adding additional categories to the “Basis of Claim” section; and
- c. including certain instructions.

16. In addition, the Debtors request that the Bar Date Order provide that each Proof of Claim filed must (i) be written in English, (ii) include a claim amount denominated in the lawful currency of the United States, (iii) conform substantially with the Proof of Claim provided or Official Form No. 10, (iv) indicate the Debtor against which the creditor is asserting a claim, and (v) be signed by the claimant or, if the claimant is not an individual, by an authorized agent of the claimant.

#### **Consequences of Failure to File a Proof of Claim**

17. Pursuant to Bankruptcy Rule 3003(c)(2), the Debtors propose that any holder of a claim against the Debtors who is required, but fails, to file a proof of such claim in accordance with the Bar Date Order on or before the Bar Date shall be forever barred, estopped and enjoined from asserting such claim against the Debtors (or filing a proof of claim with respect thereto), and the Debtors and their property shall be forever discharged from any and all

indebtedness or liability with respect to such claim, and such holder shall not be permitted to vote to accept or reject any plan of reorganization filed in these chapter 11 cases, or participate in any distribution in Debtors' chapter 11 cases on account of such claim or to receive further notices regarding such claim.

**Notice of the Bar Date Order and the Bar Date**

18. Pursuant to the proposed Bar Date Order and Bankruptcy Rule 2002(a)(7), the Debtors propose to mail, in addition to a Proof of Claim form, a notice of the Bar Date Order, in a form substantially similar to the notice annexed hereto as Exhibit "C" (the "Bar Date Notice")<sup>4</sup> to:

- a. The U.S. Trustee;
- b. Each member of the Creditors' Committee, and the attorneys for the Creditors' Committee;
- c. Attorneys for the Debtors' prepetition senior secured lenders;
- d. All known holders of claims listed on the Schedules at the addresses stated therein (or a more accurate last known address);
- e. All counterparties to the Debtors' executory contracts and unexpired leases listed on the Schedules at the addresses stated therein (or a more accurate last known address);
- f. The District Director of Internal Revenue for the Southern District of New York;
- g. The Securities and Exchange Commission;
- h. Certain other entities with whom, prior to the Commencement Date, the Debtors had done business or who may have asserted a claim against the Debtors in the recent past; and

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<sup>4</sup> Annexed to the Bar Date Notice is a schedule listing the names of all Debtors (including any applicable trade names in which they do business) and their respective chapter 11 case numbers.

- i. The entities set forth in the Debtors' Master Service List established pursuant to that certain Order Establishing Notice Procedures, dated May 15, 2003.

19. The proposed Bar Date Notice notifies the parties of the Bar Date and contains information regarding who must file a Proof of Claim, the procedure for filing a proof of claim and the consequences of failure to timely file a Proof of Claim. The Debtors request the Court approve the form and use of the Bar Date Notice.

20. The Debtors employ more than 3,000 individuals. Rather than providing notice to such employees via the Bar Date Notice procedure described above, the Debtors propose to use the procedures set forth below to notify such employees of the Bar Date (the "Employee Notification Procedures"). The Debtors regularly send e-mails to their employees and post company information on their intranet site. The Debtors intend to notify their employees by e-mail of the Bar Date in the form of notice substantially similar to Exhibit "D" annexed hereto (the "Employee Notice"), so that employees who believe they have claims for unpaid prepetition wages and benefits or other claims, including indemnification claims, against the Debtors can obtain information regarding when and how to file a Proof of Claim, and the consequences of failing to timely file a Proof of Claim. Notably, the Employee Notice will direct employees to an electronic site to retrieve a copy of the Bar Date Notice, if they choose to do so. In addition, the Debtors will conspicuously post a link to such notice on the home page of the Debtors' intranet site within ten (10) business days after the Court's entry of an order approving this Applications if granted. The Debtors respectfully submit that the Employee Notification Procedures are adequate and sufficient in light of the circumstances.

21. The Debtors recognize it is highly unlikely that the holders of any of the Debtors' publicly-held equity securities will receive a distribution under a chapter 11 plan on

account of such equity interest. Thus, fixing a bar date for the filing of proofs of equity interest is not warranted under the circumstances. Consequently, with respect to proofs of equity interests, the Debtors request that the Bar Date Order provides that any holder of an equity interest in the Debtors need not file a proof of such interest. In the event circumstances change and a distribution on account of equity interests becomes a possibility, the Debtors will move the Court to establish a bar date for filing proofs of equity interest.

22. The Debtors further intend, out of an abundance of caution, to send the Bar Date Notice to persons or entities not listed on the Schedules, but with whom the Debtors had done business prior to the Commencement Date. Providing such notice will enable any creditor inadvertently not included in the Schedules to receive notice of the Bar Date and to file a Proof of Claim, if necessary.

#### **Publication Notice**

23. In the interest of ensuring that all creditors receive notice of the Bar Date, the Debtors have determined that it would be in the best interest of their estates to give notice by publication to certain creditors including: (a) those creditors to whom no other notice was sent and who are unknown or not reasonably ascertainable by the Debtors; (b) known creditors with addresses unknown by the Debtors; and (c) creditors with potential claims unknown by the Debtors.

24. In accordance with Bankruptcy Rule 2002(l), the Debtors seek authority to publish the Bar Date Notice, modified for publication as indicated therein (the “Publication Notice”), in USA Today (National Edition), on one occasion at least twenty-five (25) days prior to the Bar Date, thus satisfying the requirements of Bankruptcy Rule 2002(a)(7).

25. The Publication Notice includes a telephone number that creditors may call to obtain copies of the Proof of Claim form, a website where the creditors may obtain a copy of a Proof of Claim form and information concerning the procedures for filing proofs of claim.

26. The Debtors further request the Court find that the Debtors' proposed procedures regarding the Publication Notice shall be deemed good, adequate and sufficient publication notice.

### **Claims Agent**

27. Pursuant to an order of the Court dated May 15, 2003 (the "BMC Order") and 28 U.S.C. § 156(c), BMC is the authorized claims agent for the Court with respect to the Debtors' chapter 11 cases. In that regard, BMC is responsible for, among other things, maintaining the database containing the Schedules.

28. To facilitate and coordinate the claims reconciliation and bar date notice functions, BMC, in accordance with the BMC Order, will mail the Proof of Claim forms together with the Bar Date Notice. This will ensure that each creditor whose claim is listed on the Schedules will receive a "personalized" Proof of Claim form printed with the appropriate creditor's name; and facilitate the matching of scheduled and filed claims and the claims reconciliation process.

### **The Proposed Notice Procedure is Reasonable and Adequate**

29. The Debtors filed the Schedules, on July 15, 2003 and July 22, 2003, and supplements to the Schedules on September 5, 2003. The Debtors have been advised by BMC that based upon the number of entities to whom the Debtors propose to provide notice, including all creditors who are entitled to receive notice (collectively in excess of 10,000), BMC will be able to complete the mailing of the Proof of Claim forms and the Bar Date Notices by no later than fifteen (15) days after the Court approves the Bar Date Order. By establishing the Bar Date

in accordance with the provisions hereof, all potential claimants will have approximately forty (40) days' notice of the Bar Date for filing their proofs of claim. Such period is clearly an adequate period of time within which to file a proof of claim, as Bankruptcy Rule 2002(a)(7) requires only twenty (20) days' notice.

30. In addition, in the event the Debtors amend or supplement the Schedules subsequent to the date hereof, the Debtors shall give notice of any amendment or supplement to the holders of claims affected thereby and such holders shall be afforded thirty (30) days from the date on which such notice is given to file proofs of claim in respect of their claim or be forever barred from doing so.

31. Pursuant to rule 9013-1(b) of the Local Bankruptcy Rule for the Southern District of New York, because there are no novel issues of law presented herein, the Debtors respectfully request that the Court waive the requirement that the Debtors file a memorandum of law in support of this Application.

32. No previous motion for the relief sought herein has been made to this or any other court.

WHEREFORE the Debtors respectfully request entry of an order granting the relief requested herein and such other or further relief as is just.

Dated: New York, New York  
September 10, 2003

Respectfully submitted,

/s/ Jonathan S. Henes  
Matthew A. Cantor (MC-7727)  
Jonathan S. Henes (JH-1979)  
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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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

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**ORDER PURSUANT TO BANKRUPTCY RULE 3003(c)(3)  
FIXING FINAL DATE FOR FILING PROOFS OF CLAIM,  
APPROVING PROPOSED PROOF OF CLAIM FORM, APPROVING  
PROPOSED BAR DATE NOTICE, AND APPROVING  
PROPOSED NOTICE AND PUBLICATION PROCEDURES**

Upon the application dated September \_\_, 2003 (the "Application") of Allegiance Telecom, Inc., and its direct and indirect subsidiaries, as debtors and debtors in possession (the "Debtors"), for an order, pursuant to Rule 3003(c)(3) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), fixing a final date for filing certain proofs of claim (the "Bar Date"), approving the proposed proof of claim form, approving the proposed bar date notice, and approving the proposed notice and publication procedures, all as more fully set forth in the Application; and it appearing that the Court has jurisdiction over this matter; and it appearing that (i) establishment of a date by which creditors must assert claims against the Debtors or be forever barred from voting on any chapter 11 plan or participating in any distributions from the Debtors' estates in accordance with the authority granted to this Court by title 11 of the United States Code (the "Bankruptcy Code") and the Bankruptcy Rules, is necessary for the prompt and efficient administration of these chapter 11 cases and to protect the interests of the Debtors, their creditors, and other parties in interest, and (ii) notification of the relief granted by this Order in the manner proposed by the Debtors, as set forth herein, is fair and

reasonable and will provide good, sufficient, and proper notice to all creditors of their rights and obligations in connection with claims they may have against the Debtors in these chapter 11 cases; and it further appearing that the relief requested in the Application is in the best interests of the Debtors and their estates and creditors; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Application is granted; and it is further

ORDERED that, pursuant to Bankruptcy Rule 3003(c)(3), and except as otherwise provided herein, each person or entity (including, without limitation, each individual, partnership, joint venture, corporation, estate, trust, and governmental unit) that asserts a claim (as defined in section 101(5) of the Bankruptcy Code) against the Debtors that arose prior to May 14, 2003 (the “Commencement Date”), can only timely file an original, written proof of such claim which substantially conforms to Exhibit “B” annexed to the Application (the “Proof of Claim”), which form is hereby approved, or Official Form No. 10, if it is received on or before November 10, 2003, at 5:00 p.m. (prevailing Eastern Time) (the “Bar Date”) by Bankruptcy Management Corporation (“BMC”), either by mailing the original proof of claim to United States Bankruptcy Court, Southern District of New York, Allegiance Claims Docketing Center, Bowling Green Station, P.O. Box 95, New York, New York 10274-0095, or by delivering the original proof of claim by messenger or overnight courier to the United States Bankruptcy Court, Southern District of New York, Allegiance Claims Docketing Center, One Bowling Green, Room 534, New York 10004-1408 (together, the “Allegiance Claims Docketing Center”); and it is further

ORDERED that proofs of claim will be deemed timely filed only if **actually received** by the Allegiance Claims Docketing Center on or before the Bar Date; and it is further

ORDERED that the Allegiance Claims Docketing Center shall **not** accept proofs of claim sent by facsimile, telecopy, or electronic mail transmission; and it is further

ORDERED that the following persons or entities are **not** required to file a proof of claim on or before the Bar Date:

- a. any person or entity that has already properly filed, with the Clerk of the United States Bankruptcy Court for the Southern District of New York, a proof of claim against the applicable Debtor or Debtors, utilizing a claim form which substantially conforms to the Proof of Claim or Official Form No. 10;
- b. any person or entity (i) whose claim is listed on the Debtors' Statements of Financial Affairs, Schedules of Assets and Liabilities and Schedules of Executory Contracts (collectively, the "Schedules"), (ii) whose claim is not described on such Schedules as "disputed," "contingent," or "unliquidated," and (iii) who does not dispute the amount or nature of the claim for such person or entity as set forth in the Schedules;
- c. any person having a claim under sections 503(b) or 507(a) of the Bankruptcy Code as an administrative expense of any of the Debtors' chapter 11 cases;
- d. any person or entity whose claim has been paid in full by any of the Debtors;
- e. any Debtor having a claim against another Debtor;
- f. any person or entity that holds a claim arising out of or based solely upon an equity interest in the Debtors;
- g. any person or entity that holds a claim that has been allowed by an order of this Court entered on or before the Bar Date; and
- h. any person or entity whose claim is limited exclusively to the repayment of principal, interest, and/or other applicable fees and charges (a "Debt Claim") on or under any bond or note issued by the Debtors (the "Debt Instruments"); *provided, however*, that (i) the foregoing exclusion in this subparagraph shall not apply to the Indenture Trustee under the applicable Debt Instruments (the "Indenture Trustee"), (ii) the Indenture Trustee shall be required to file one proof of claim, on or before the Bar Date, on account of all of the Debt Claims on or under each of the Debt Instruments and (iii) any holder of a Debt Claim wishing to assert a claim, other

than a Debt Claim, arising out of or relating to the Debt Instruments shall be required to file a proof of claim on or before the Bar Date, unless another exception in this paragraph applies;

and it is further

ORDERED that any person or entity that holds a claim that arises from the rejection of an executory contract or unexpired lease as to which the order authorizing such rejection is dated on or before ten (10) days after the date hereof, must file a proof of claim based on such rejection on or before the Bar Date, and any person or entity that holds a claim that arises from the rejection of an executory contract or unexpired lease as to which the order authorizing such rejection is dated ten (10) days after the date hereof, must file a proof of claim on or before such date as the Court may fix in the applicable order authorizing such rejection; and it is further

ORDERED that each proof of claim to be properly filed pursuant to this Order shall (i) be written in the English language, (ii) include a claim amount denominated in lawful currency of the United States, (iii) conform substantially with the Proof of Claim or Official Form No. 10, (iv) indicate the Debtor against which the creditor is asserting a claim, and (v) be signed by the claimant or if the claimant is not an individual, by an authorized agent of the claimant; and it is further

ORDERED that any holder of a claim against one or more of the Debtors who is required, but fails, to file a proof of claim for such claim in accordance with this Order on or before the Bar Date shall be forever barred, estopped, and enjoined from asserting such claim against such Debtor (or filing a Proof of Claim with respect thereto) and such Debtor's estate and its property shall be forever discharged from any and all indebtedness or liability with respect to such claim, and such holder shall not be permitted to vote on any chapter 11 plan or participate

in any distribution in such Debtor's chapter 11 case on account of such claim or to receive further notices regarding such claim; and it is further

ORDERED that notice of the entry of this Order and of the Bar Date in a form substantially similar to the notice attached to the Application as Exhibit "C" (the "Bar Date Notice"), which Bar Date Notice is hereby approved in all respects, shall be deemed good, adequate, and sufficient notice if it is served together with one or more Proof of Claim forms (as appropriate) by being deposited in the United States mail, first class postage prepaid, within fifteen (15) days after the date of entry of this Order, upon:

- a. the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee");
- b. each member of the statutory creditors' committee (the "Creditors' Committee"), and the attorneys for the Creditors' Committee;
- c. attorneys for the Debtors' prepetition senior secured lenders;
- d. all known holders of claims listed on the Schedules at the addresses stated therein (or a more accurate last known address);
- e. all counterparties to the Debtors' executory contracts and unexpired leases listed on the Schedules at the addresses stated therein (or a more accurate last known address);
- f. the District Director of Internal Revenue for the Southern District of New York;
- g. the Securities and Exchange Commission;
- h. certain other entities with whom, prior to the Commencement Date, the Debtors had done business or who may have asserted a claim against the Debtors in the recent past; and
- i. the entities set forth in the Debtors' Master Service List established pursuant to that certain Order Establishing Notice Procedures, dated May 15, 2003;

and it is further

ORDERED that, with regard to those creditors listed on the Schedules, the Debtors shall mail one or more proof of claim forms (as appropriate) substantially similar to the Proof of Claim form annexed to the Application as Exhibit “B,” indicating in the top right hand corner thereof how the Debtors have scheduled such creditor's claim in the Schedules (including the amount of the claim (if any listed) and whether the claim has been scheduled as contingent, unliquidated, or disputed); and it is further

ORDERED that, with respect to the Debtors’ current employees, the Debtors shall distribute notice of the Bar Date to such employees using a notice substantially similar to the form of notice annexed to the Application as Exhibit “D,” which notice is approved in all respects, and utilizing the Employee Notification Procedures (as such procedures are described in the Application) within ten (10) business days after the date of entry of this Order; and it is further

ORDERED that, pursuant to Bankruptcy Rule 2002(1), the Debtors shall publish a Bar Date Notice in substantially the form annexed to the Application as Exhibit “C” (the “Publication Notice”), in USA Today (National Edition), on one occasion at least twenty-five (25) days prior to the Bar Date, which publication is hereby approved in all respects and which shall be deemed good, adequate, and sufficient publication notice of the Bar Date; and it is further

ORDERED that if the Debtors amend or supplement their Schedules subsequent to the date hereof, the Debtors shall give notice of any amendment or supplement to the holders of claims affected thereby, and such holders shall be afforded thirty (30) days from the date on which such notice is given to file proofs of claim in respect of their claim or be forever barred from doing so; and it is further

ORDERED that the Debtors are authorized and empowered to take such steps and perform such acts as may be necessary to implement and effectuate the terms of this Order; and it is further

ORDERED that notification of the relief granted by this Order as provided herein and in the Application is fair and reasonable and will provide good, sufficient, and proper notice to all creditors of their obligations in connection with claims they may have against the Debtors in these chapter 11 cases; and it is further

ORDERED that entry of this Order is without prejudice to the right of the Debtors to seek a further order of this Court fixing the date by which holders of a claim not subject to the Bar Date established herein must file such claim against one or more of the Debtors or be forever barred from voting upon any chapter 11 plan or plans for such Debtor, from receiving any payment or distribution of property from such Debtor's estate or its successors or assigns with respect to such claim, and from asserting such claim against any Debtor; and it is further

ORDERED that the requirement under Rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York for the filing of a separate memorandum of law is waived.

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UNITED STATES BANKRUPTCY JUDGE

Dated: New York, New York  
September \_\_, 2003

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

**PROOF OF CLAIM**



s1234

**YOUR CLAIM IS SCHEDULED AS:**

**\$2,000.00 Unsecured**

In re:  
**Allegiance Telecom, Inc.**

Case Number:  
**03-13057**

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Check box if you have never received any notices from the bankruptcy court in this case.

Check box if this address differs from the address on the envelope sent to you by the court.

The amounts and nature of your claim reflected above constitute your claim as scheduled by the Debtor. If you agree with the amounts set forth herein, and have no other claim against the Debtor, you do not need to file this proof of claim EXCEPT as stated below.

**If the amounts shown above are listed as Contingent, Unliquidated or Disputed, a proof of claim must be filed.**

If you have already properly filed a proof of claim with the Bankruptcy Court, you do not need to file again.

**Name of Creditor and Address:**  
 01234567890  
 SAMPLE CREDITOR  
 ADDRESS-1  
 ADDRESS-2  
 CITY, STATE ZIP  
 COUNTRY

Creditor Telephone Number ( )

CREDITOR TAX I.D. #:

ACCOUNT OR OTHER NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR:

Check here  replaces or  amends a previously filed claim dated: \_\_\_\_\_

**1. BASIS FOR CLAIM**

Goods sold       Personal injury/wrongful death       Retiree benefits as defined in 11 U.S.C § 1114(a)

Services performed       Taxes       Wages, salaries, and compensation (Fill out below)

Money loaned       Other (describe briefly below)

Your social security number: \_\_\_\_\_

Unpaid compensation for services performed from: \_\_\_\_\_ to \_\_\_\_\_

(date) (date)

**2. DATE DEBT WAS INCURRED:**

**3. IF COURT JUDGMENT, DATE OBTAINED:**

**4. TOTAL AMOUNT OF CLAIM AT TIME CASE FILED:** \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

(unsecured) (secured) (unsecured priority) (total)

**If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.**

Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

**5. SECURED CLAIM**

Check this box if your claim is secured by collateral (including a right of setoff).

Brief description of collateral:

Real Estate

Motor Vehicle

Other \_\_\_\_\_

Value of collateral: \$ \_\_\_\_\_

Amount of arrearage and other charges at time case filed included in secured claim above, if any \$ \_\_\_\_\_

**6. UNSECURED PRIORITY CLAIM**

Check this box if you have an unsecured priority claim

Specify the priority of the claim:

Wages, salaries, or commissions (up to \$4,650\*), earned within 90 days before filing of the bankruptcy petition or cessation of the Debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3)

Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4)

Up to \$2,100\* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6)

Alimony maintenance or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7)

Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8)

Other - Specify applicable paragraph of 11 U.S.C. § 507(a) \_\_\_\_\_

\* Amounts are subject to adjustment on 4/1/01 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

**7. CREDITS:** The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.

**8. SUPPORTING DOCUMENTS:** Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. **DO NOT SEND ORIGINAL DOCUMENTS.** If the documents are not available, explain. If the documents are voluminous, attach a summary.

**9. DATE-STAMPED COPY:** To receive an acknowledgment of your claim, please enclose a self-addressed stamped envelope and an additional copy of this proof of claim.

**The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is received on or before 4:00 p.m., November 10, 2003, Eastern Daylight Time.**

**BY MAIL TO:** United States Bankruptcy Court  
Southern District of New York  
Allegiance Claims Docketing Center  
Bowling Green Station, P.O. Box 95  
New York, NY 10274-0095

**BY HAND OR OVERNIGHT DELIVERY TO:** United States Bankruptcy Court  
Southern District of New York  
Allegiance Claims Docketing Center  
One Bowling Green, Room 534  
New York, NY 10004-1408

**THIS SPACE FOR COURT USE ONLY**

DATE SIGNED:

**SIGN** and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any).



# INSTRUCTIONS FOR FILING PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In particular types of cases or circumstances, such as bankruptcy cases that are not filed voluntarily by a debtor, there may be exceptions to the general rules.

---

## DEFINITIONS

---

### DEBTOR

The person, corporation, or other entity that has filed a bankruptcy case is called the debtor.

### CREDITOR

A creditor is any person, corporation, or other entity to whom the debtor owed a debt on the date that the bankruptcy case was filed.

### PROOF OF CLAIM

A form telling the bankruptcy court how much the debtor owed a creditor at the time the bankruptcy case was filed (the amount of the creditor's claim). This form must be filed with the court appointed Claims Agent, Bankruptcy Management Corporation, at the address listed on the reverse side of this page.

### SECURED CLAIM

A claim is a secured claim to the extent that the creditor has a lien on the property of the debtor (collateral) that gives the creditor the right to be paid from that property before creditors who do not have liens on the property.

Examples of liens are a mortgage on real estate and a security interest in a car, truck, boat, television set, or other item of property. A lien may have been obtained through a court proceeding before a bankruptcy case began; in some states a court judgment is a lien. In addition, to the extent a creditor also owes money to the debtor (has a right of setoff), the creditor's claim may be a secured claim. (See also Unsecured Claim.)

### UNSECURED CLAIM

If a claim is not a secured claim it is an unsecured claim. A claim may be partly secured and partly unsecured if the property on which a creditor has a lien is not worth enough to pay the creditor in full.

### UNSECURED PRIORITY CLAIM

Certain types of unsecured claims are given priority, so they are to be paid in bankruptcy cases before most other unsecured claims (if there is sufficient money or property available to pay these claims). The most common types of priority claims are listed on the proof of claim form. Unsecured claims that are not specifically given priority status by the bankruptcy laws are classified as *Unsecured Nonpriority Claims*.

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## ITEMS TO BE COMPLETED IN PROOF OF CLAIM FORM (IF NOT ALREADY PROPERLY FILLED IN)

---

### Court, Name of Debtor, and Case Number:

Fill in the name of the federal judicial district where the bankruptcy case was filed, the name of the debtor in the bankruptcy case, and the bankruptcy case number. If you received a notice of the case from the Claims Agent, Bankruptcy Management Corporation, all of this information is near the top of the notice. A complete list of Debtors with corresponding case numbers is enclosed. If you have a claim, you must file a proof of claim against the specific Debtor against whom your claim is asserted. If you assert claims against more than one Debtor, you must file a separate proof of claim against each Debtor.

### Information about Creditor:

If not already accurately pre-printed, complete the section giving the name, address, and telephone number of the creditor to whom the debtor owes money or property, and the debtor's account number, if any. If (a) anyone else has already filed a proof of claim relating to this debt, (b) if you never received notices from the Claims Agent, Bankruptcy Management Corporation, about this case, (c) if your address differs from that to which the Claims Agent sent this notice, or (d) if this proof of claim replaces or amends a proof of claim that was already filed, check the appropriate boxes on the form.

### 1. Basis for Claim:

Check the type of debt for which the proof of claim is being filed. If the type of debt is not listed, check "Other" and briefly describe the type of debt. If you were an employee of the debtor, fill in your social security number and the dates of work for which you were not paid.

### 2. Date Debt Incurred:

Fill in the date when the debt first was owed by the debtor.

### 3. Court Judgments:

If you have a court judgment for this debt, state the date the court entered the judgment.

### 4. Total Amount of Claim at Time Case Filed:

FILL IN THE TOTAL AMOUNT OF THE ENTIRE CLAIM. If interest or other charges in addition to the principal amount of the claim are included, check the appropriate place on the form and attach an itemization of the interest and charges.

### 5. Secured Claim:

If your claim is a secured claim, check the appropriate boxes in this section. You must state the type and value of property that is collateral for the claim, attach copies of the documentation of your lien, and state the amount past due on the claim as of the date the bankruptcy case was filed. A claim may be partly secured and partly unsecured (See DEFINITIONS, above).

### 6. Unsecured Priority Claim:

If your claim is an unsecured priority claim (See DEFINITIONS, above), check the appropriate boxes in this section, and state the amount entitled to priority. A claim may be partly priority and partly nonpriority if, for example, the claim is for more than the amount given priority by the law. Check the appropriate place to specify the type of priority claim.

### 7. Credits:

By signing this proof of claim, you are stating under oath that in calculating the amount of your claim you have given the debtor credit for all payments received from the debtor.

### 8. Supporting Documents:

You must attach to this proof of claim form copies of documents that show the debtor owes the debt claimed or, if the documents are too lengthy, a summary of those documents. If documents are not available, you must attach an explanation of why they are not available.

*Please read – important information: upon completion of this claim form, you are certifying that the statements herein are true.*

Be sure to date the claim and place original signature of claimant or person making the claim for creditor where indicated at the bottom of the claim form. Please type or print name of individual under the signature. Be sure all items are answered on the claim form. If not applicable, insert "Not Applicable."

**Return claim form and attachments, if any, and a second copy with any attachments to the Allegiance Claims Docketing Center at the address on the front of this form.**

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

**PROOF OF CLAIM**



s1234

In re:

Case Number:

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Check box if you have never received any notices from the bankruptcy court in this case.

Check box if this address differs from the address on the envelope sent to you by the court.

If you have already properly filed a proof of claim with the Bankruptcy Court, you do not need to file again.

**Name of Creditor and Address:**  
 01234567890  
 SAMPLE CREDITOR  
 ADDRESS-1  
 ADDRESS-2  
 CITY, STATE ZIP  
 COUNTRY

Creditor Telephone Number ( )

CREDITOR TAX I.D. #:

ACCOUNT OR OTHER NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR:

Check here  replaces or  amends a previously filed claim dated: \_\_\_\_\_

**1. BASIS FOR CLAIM**

Goods sold       Personal injury/wrongful death       Retiree benefits as defined in 11 U.S.C § 1114(a)

Services performed       Taxes       Wages, salaries, and compensation (Fill out below)

Money loaned       Other (describe briefly below)

Your social security number: \_\_\_\_\_  
 Unpaid compensation for services performed from: \_\_\_\_\_ to \_\_\_\_\_  
 (date) (date)

**2. DATE DEBT WAS INCURRED:**

**3. IF COURT JUDGMENT, DATE OBTAINED:**

**4. TOTAL AMOUNT OF CLAIM AT TIME CASE FILED:** \$ \_\_\_\_\_ (unsecured) \$ \_\_\_\_\_ (secured) \$ \_\_\_\_\_ (unsecured priority) \$ \_\_\_\_\_ (total)

**If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.**  
 Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

**5. SECURED CLAIM**

Check this box if your claim is secured by collateral (including a right of setoff).

Brief description of collateral:

Real Estate  
 Motor Vehicle  
 Other \_\_\_\_\_

Value of collateral: \$ \_\_\_\_\_

Amount of arrearage and other charges at time case filed included in secured claim above, if any \$ \_\_\_\_\_

**6. UNSECURED PRIORITY CLAIM**

Check this box if you have an unsecured priority claim

Specify the priority of the claim:

Wages, salaries, or commissions (up to \$4,650\*), earned within 90 days before filing of the bankruptcy petition or cessation of the Debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3)

Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4)

Up to \$2,100\* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6)

Alimony maintenance or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7)

Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8)

Other - Specify applicable paragraph of 11 U.S.C. § 507(a) \_\_\_\_\_

\* Amounts are subject to adjustment on 4/1/01 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

**7. CREDITS:** The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.

**8. SUPPORTING DOCUMENTS:** *Attach copies of supporting documents,* such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. **DO NOT SEND ORIGINAL DOCUMENTS** If the documents are not available, explain. If the documents are voluminous, attach a summary.

**9. DATE-STAMPED COPY:** To receive an acknowledgment of your claim, please enclose a self-addressed stamped envelope and an additional copy of this proof of claim.

The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is received on or before 4:00 p.m., November 10, 2003, Eastern Daylight Time.

**BY MAIL TO:** United States Bankruptcy Court  
 Southern District of New York  
 Allegiance Claims Docketing Center  
 Bowling Green Station, P.O. Box 95  
 New York, NY 10274-0095

**BY HAND OR OVERNIGHT DELIVERY TO:** United States Bankruptcy Court  
 Southern District of New York  
 Allegiance Claims Docketing Center  
 One Bowling Green, Room 534  
 New York, NY 10004-1408

**THIS SPACE FOR COURT USE ONLY**

DATE SIGNED:

**SIGN** and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any).

# INSTRUCTIONS FOR FILING PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In particular types of cases or circumstances, such as bankruptcy cases that are not filed voluntarily by a debtor, there may be exceptions to the general rules.

---

## DEFINITIONS

---

### DEBTOR

The person, corporation, or other entity that has filed a bankruptcy case is called the debtor.

### CREDITOR

A creditor is any person, corporation, or other entity to whom the debtor owed a debt on the date that the bankruptcy case was filed.

### PROOF OF CLAIM

A form telling the bankruptcy court how much the debtor owed a creditor at the time the bankruptcy case was filed (the amount of the creditor's claim). This form must be filed with the court appointed Claims Agent, Bankruptcy Management Corporation, at the address listed on the reverse side of this page.

### SECURED CLAIM

A claim is a secured claim to the extent that the creditor has a lien on the property of the debtor (collateral) that gives the creditor the right to be paid from that property before creditors who do not have liens on the property.

Examples of liens are a mortgage on real estate and a security interest in a car, truck, boat, television set, or other item of property. A lien may have been obtained through a court proceeding before a bankruptcy case began; in some states a court judgment is a lien. In addition, to the extent a creditor also owes money to the debtor (has a right of setoff), the creditor's claim may be a secured claim. (See also Unsecured Claim.)

### UNSECURED CLAIM

If a claim is not a secured claim it is an unsecured claim. A claim may be partly secured and partly unsecured if the property on which a creditor has a lien is not worth enough to pay the creditor in full.

### UNSECURED PRIORITY CLAIM

Certain types of unsecured claims are given priority, so they are to be paid in bankruptcy cases before most other unsecured claims (if there is sufficient money or property available to pay these claims). The most common types of priority claims are listed on the proof of claim form. Unsecured claims that are not specifically given priority status by the bankruptcy laws are classified as *Unsecured Nonpriority Claims*.

---

## ITEMS TO BE COMPLETED IN PROOF OF CLAIM FORM (IF NOT ALREADY PROPERLY FILLED IN)

---

### Court, Name of Debtor, and Case Number:

Fill in the name of the federal judicial district where the bankruptcy case was filed, the name of the debtor in the bankruptcy case, and the bankruptcy case number. If you received a notice of the case from the Claims Agent, Bankruptcy Management Corporation, all of this information is near the top of the notice. A complete list of Debtors with corresponding case numbers is enclosed. If you have a claim, you must file a proof of claim against the specific Debtor against whom your claim is asserted. If you assert claims against more than one Debtor, you must file a separate proof of claim against each Debtor.

### Information about Creditor:

If not already accurately pre-printed, complete the section giving the name, address, and telephone number of the creditor to whom the debtor owes money or property, and the debtor's account number, if any. If (a) anyone else has already filed a proof of claim relating to this debt, (b) if you never received notices from the Claims Agent, Bankruptcy Management Corporation, about this case, (c) if your address differs from that to which the Claims Agent sent this notice, or (d) if this proof of claim replaces or amends a proof of claim that was already filed, check the appropriate boxes on the form.

### 1. Basis for Claim:

Check the type of debt for which the proof of claim is being filed. If the type of debt is not listed, check "Other" and briefly describe the type of debt. If you were an employee of the debtor, fill in your social security number and the dates of work for which you were not paid.

### 2. Date Debt Incurred:

Fill in the date when the debt first was owed by the debtor.

### 3. Court Judgments:

If you have a court judgment for this debt, state the date the court entered the judgment.

### 4. Total Amount of Claim at Time Case Filed:

FILL IN THE TOTAL AMOUNT OF THE ENTIRE CLAIM. If interest or other charges in addition to the principal amount of the claim are included, check the appropriate place on the form and attach an itemization of the interest and charges.

### 5. Secured Claim:

If your claim is a secured claim, check the appropriate boxes in this section. You must state the type and value of property that is collateral for the claim, attach copies of the documentation of your lien, and state the amount past due on the claim as of the date the bankruptcy case was filed. A claim may be partly secured and partly unsecured (See DEFINITIONS, above).

### 6. Unsecured Priority Claim:

If your claim is an unsecured priority claim (See DEFINITIONS, above), check the appropriate boxes in this section, and state the amount entitled to priority. A claim may be partly priority and partly nonpriority if, for example, the claim is for more than the amount given priority by the law. Check the appropriate place to specify the type of priority claim.

### 7. Credits:

By signing this proof of claim, you are stating under oath that in calculating the amount of your claim you have given the debtor credit for all payments received from the debtor.

### 8. Supporting Documents:

You must attach to this proof of claim form copies of documents that show the debtor owes the debt claimed or, if the documents are too lengthy, a summary of those documents. If documents are not available, you must attach an explanation of why they are not available.

*Please read – important information: upon completion of this claim form, you are certifying that the statements herein are true.*

Be sure to date the claim and place original signature of claimant or person making the claim for creditor where indicated at the bottom of the claim form. Please type or print name of individual under the signature. Be sure all items are answered on the claim form. If not applicable, insert "Not Applicable."

**Return claim form and attachments, if any, and a second copy with any attachments to the Allegiance Claims Docketing Center at the address on the front of this form.**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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

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**NOTICE OF BAR DATE REQUIRING FILING OF  
PROOFS OF CLAIM ON OR BEFORE NOVEMBER 10, 2003  
AT 5:00 P.M. (PREVAILING EASTERN TIME)**

TO ALL PERSONS AND ENTITIES WITH CLAIMS AGAINST ANY OF THE DEBTOR ENTITIES LISTED IN THE ANNEXED SCHEDULE "A:"

PLEASE TAKE NOTICE THAT on September \_\_, 2003, the United States Bankruptcy Court for the Southern District of New York (the "Court") having jurisdiction over the chapter 11 cases of the debtor entities listed in the annexed schedule "A" (collectively, the "Debtors") entered an order (the "Bar Date Order") establishing **November 10, 2003, at 5:00 p.m. (prevailing Eastern Time)** (the "Bar Date"), as the last date and time for each person or entity (including, without limitation, each individual, partnership, joint venture, corporation, estate, trust, and governmental unit) to file a proof of claim against any of the Debtors. The Bar Date Order and the Bar Date, as well as the procedures set forth below for the filing of proofs of claim, apply to the claims described below against the Debtors that arose prior to May 14, 2003, the date on which each of the Debtors commenced a case under chapter 11 of title 11, United States Code (the "Bankruptcy Code").

**1. WHO MUST FILE A PROOF OF CLAIM**

You **MUST** file a proof of claim to share in the estate if you have a claim that arose prior to May 14, 2003, and it is not one of the other types of claims described in section 2 below. Acts or omissions of the Debtors that arose before May 14, 2003, may give rise to claims against the Debtors notwithstanding that such claims may not have matured or become fixed or liquidated prior to such date.

Under section 101(5) of the Bankruptcy Code and as used herein, the word "claim" means: (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

## 2. WHO NEED NOT FILE A PROOF OF CLAIM

You need not file a proof of claim if:

- A. You have **already** properly filed, with the Clerk of the United States Bankruptcy Court for the Southern District of New York, a proof of claim against the applicable Debtor or Debtors utilizing a claim form which substantially conforms to the Proof of Claim form tailored for these cases or Official Form No. 10;
- B. Your claim is listed on the Debtors' Schedules (as defined below) and is **not** described in the Schedules as "disputed," "contingent," or "unliquidated," **and** your claim is asserted against a specific Debtor, and you do **not** dispute the specific Debtor identified on the Proof of Claim against which your claim is asserted, you do **not** dispute the amount or nature of your claim as is set forth in the upper right-hand corner of the enclosed Proof of Claim. Creditors holding claims which are listed in the Schedules without reference to a particular Debtor, or without reference to a claim amount, shall be required to file a Proof of Claim. Annexed hereto as Schedule "A" is a list of the names under which each Debtor conducts or previously conducted business, the names of associated Debtors, and their respective case numbers;
- C. You have a claim under sections 503(b) or 507(a) of the Bankruptcy Code as an administrative expense of any of the Debtors' chapter 11 cases;
- D. Your claim has already been paid in full by any of the Debtors;
- E. You are a Debtor having a claim against another Debtor;
- F. You hold a claim that arose out of or is based solely upon an equity interest in any of the Debtors;
- G. You hold a claim that has been allowed by an order of the Court entered on or before the Bar Date; or
- H. Your claim is limited exclusively to the repayment of principal, interest, and/or other applicable fees and charges (a "Debt Claim") on or under any bond or note issued by the Debtors pursuant to an indenture (the "Debt Instruments"); *provided, however,* that (i) the foregoing exclusion in this subparagraph shall not apply to the Indenture Trustee under the applicable indenture (the "Indenture Trustee"), (ii) each Indenture Trustee shall be required to file one proof of claim, on or before the Bar Date, on account of all of the Debt Claims on or under the applicable Debt Instruments on or before the Bar Date, and (iii) any holder of a Debt Claim wishing to assert a claim, other than a Debt Claim, arising out of or relating to a Debt Instrument shall be required to file a proof of claim on or before the Bar Date, unless another exception in this paragraph applies.

**YOU SHOULD NOT FILE A PROOF OF CLAIM IF YOU DO NOT HAVE A CLAIM AGAINST THE DEBTORS, OR IF THE CLAIM YOU HELD AGAINST THE DEBTORS HAS BEEN PAID IN FULL.**

**THE FACT THAT YOU HAVE RECEIVED THIS NOTICE DOES NOT MEAN THAT YOU HAVE A CLAIM OR THAT THE DEBTORS OR THE COURT BELIEVE THAT YOU HAVE A CLAIM.**

**3. EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Any person or entity that holds a claim arising from the rejection of an executory contract or unexpired lease as to which the order authorizing such rejection is dated on or before September \_\_, 2003, must file a proof of claim based on such rejection on or before the Bar Date to share in the estate. Any person or entity that holds a claim arising from the rejection of an executory contract or unexpired lease as to which the order authorizing such rejection is dated after September \_\_, 2003, must file a proof of claim on or before such date as the Court may fix in the applicable order authorizing rejection of such contract or lease.

**4. WHEN AND WHERE TO FILE**

Except as provided for herein, all original proofs of claim must be filed so as to be **received on or before November 10, 2003, at 5:00 p.m. (prevailing Eastern Time)**, at the following address:

**IF SENT BY MAIL**

United States Bankruptcy Court  
Southern District of New York  
Allegiance Claims Docketing Center  
Bowling Green Station  
P.O. Box 95  
New York, New York 10274-0095

**IF SENT BY MESSENGER OR  
OVERNIGHT COURIER**

United States Bankruptcy Court  
Southern District of New York  
Allegiance Claims Docketing Center  
One Bowling Green  
Room 534  
New York, New York 10004-1408

(together, the “Allegiance Claims Docketing Center”).

Proofs of claim will be deemed timely filed only if **actually received** by the Allegiance Claims Docketing Center on or before the Bar Date. Proofs of claim may **not** be delivered by facsimile, telecopy transmission, or electronic mail transmission.

**5. WHAT TO FILE**

If you file a proof of claim, your filed proof of claim must (i) be written in English, (ii) be denominated in lawful currency of the United States, (iii) conform substantially with the enclosed proof of claim or Official Form No. 10, (iv) indicate the Debtor against which you are asserting a claim, and (v) be signed by the claimant or if the claimant, is not an individual, by an authorized agent of the claimant.

**YOU SHOULD ATTACH TO YOUR COMPLETED PROOF OF CLAIM FORM COPIES OF ANY WRITINGS UPON WHICH SUCH CLAIM IS BASED.**

**EXCEPT WITH RESPECT TO CLAIMS OF THE TYPE SET FORTH IN SECTIONS 2 AND 3 ABOVE, ANY CREDITOR WHO FAILS TO FILE A PROOF OF CLAIM ON OR BEFORE THE BAR DATE OF NOVEMBER 10, 2003, FOR ANY CLAIM SUCH CREDITOR HOLDS OR WISHES TO ASSERT AGAINST ANY OF THE DEBTORS WILL BE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM ASSERTING SUCH CLAIM (OR FILING A PROOF OF CLAIM WITH RESPECT TO SUCH CLAIM) AGAINST SUCH DEBTOR, AND SUCH DEBTOR, ITS ESTATE, AND ITS PROPERTY WILL BE FOREVER DISCHARGED FROM ANY AND ALL INDEBTEDNESS OR LIABILITY WITH RESPECT TO SUCH CLAIM, AND SUCH HOLDER SHALL NOT BE PERMITTED TO VOTE ON ANY CHAPTER 11 PLAN OR PARTICIPATE IN ANY DISTRIBUTION IN SUCH DEBTOR'S CHAPTER 11 CASE ON ACCOUNT OF SUCH CLAIM, OR TO RECEIVE FURTHER NOTICES REGARDING SUCH CLAIM.**

## **6. THE DEBTORS' SCHEDULES AND ACCESS THERETO**

You may be listed as the holder of a claim against one or more of the Debtors in the Debtors' Schedules of Assets and Liabilities and/or Schedules of Executory Contracts and Unexpired Leases (collectively, the "Schedules"). To determine if and how you are listed on the Schedules, please refer to the descriptions set forth in the upper right hand corner of the enclosed proof of claim form(s) regarding the nature, amount, and status of your claim(s). If you received postpetition payments from the Debtors (which payments were authorized by the Court) on account of your claim(s), the enclosed proof of claim form(s) will reflect the net amount of your claim(s) (*i.e.*, reduced by the postpetition payments). If the Debtors believe that you hold claims against more than one Debtor, you will receive multiple proofs of claim forms, each of which will reflect the nature and amount of your claim against each such Debtor, as listed in the Schedules. **As noted above, if you agree with the nature, amount, and status of your claim(s) as described in the enclosed proof of claim form(s), and you do not dispute the Debtor identified on the Proof of Claim against which your claim is asserted, you do not need to file a proof of claim. However, if you intend to file one or more proofs of claim, you must do so before the Bar Date in accordance with the procedures set forth in this Notice.**

Copies of the Schedules may be examined by interested parties on the Court's electronic docket for the Debtors' chapter 11 cases, which is posted on the Internet at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov) (a PACER login and password are required). Copies of the Schedules may also be examined by interested parties between the hours of 9:00 a.m. and 4:00 p.m. (prevailing Eastern Time), at the office of the Clerk of the Bankruptcy Court, United States Bankruptcy Court for the Southern District, One Bowling Green, Room 511, New York 10004.

**The Allegiance Claims Docketing Center may be contacted by calling Bankruptcy Management Corporation, the Debtors' claims agent, at 1-888- 909-0100 if there are questions concerning the filing, amount, nature, or processing of a proof of claim.**

**A CLAIMANT SHOULD CONSULT AN ATTORNEY REGARDING ANY OTHER INQUIRIES, SUCH AS WHETHER SUCH CLAIMANT SHOULD FILE A PROOF OF CLAIM.**

DATED: New York, New York  
September \_\_, 2003

KIRKLAND & ELLIS LLP  
Citigroup Center  
153 East 53<sup>rd</sup> Street  
New York, New York 10022-4611  
(212) 446-4800

ATTORNEYS FOR THE DEBTORS  
AND DEBTORS IN POSSESSION



September \_\_, 2003

Fellow Allegians,

As you are aware, the Company filed a petition for reorganization under chapter 11 on May 14, 2003. We wanted to inform you of progress in our reorganization and that yet another milestone is approaching – the bar date. The bar date is the date by which anyone with a claim against the Company is required to file a Proof of Claim with the Bankruptcy Court, or else the claim is forever lost. This will provide the Company with certainty as to the claims that are being asserted against it so that the Company can take into account these claims in its plan of reorganization. The Court has set November 10, 2003 as the bar date in the Company's bankruptcy case.

All along it has been our intention to pay all of your prepetition wages and benefits as well as other employment-related obligations (such as claims for indemnification, reimbursement and contributions). Therefore, pursuant to one of the first orders of the Bankruptcy Court, on May 15, 2003, the Company was authorized to pay, and has paid, almost all of its employees prepetition wages and benefits as well as other employment-related obligations. However, there may be amounts that we were precluded by the Court's Order from paying and/or you may have claims that we are unaware of. Accordingly, if you believe you have an unpaid claim for prepetition wages and benefits or other claims against the Company that arose prior to May 14, 2003, you must file a Proof of Claim. If you need additional information regarding the procedures for filing a Proof of Claim against the Company and/or the status of your claim, please contact us at [POCinquiry@algx.com].

**The deadline for filing Proofs of Claim against the Company is November 10, 2003 at 5:00 p.m. (Eastern Time). If you have a claim against the Company but fail to file a Proof of Claim before the deadline, you will be forever barred from asserting such claim against the Company. Please go to [link] for a copy of the "bar date notice" and form of Proof of Claim. The bar date notice provides information on filing a Proof of Claim form.**

Once again, I thank you for your personal contributions to the Company.

Royce Holland  
Chairman and Chief Executive Officer