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

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

**APPLICATION OF THE DEBTORS, PURSUANT TO
SECTIONS 327(e) AND 328 OF THE BANKRUPTCY CODE,
FOR AN ORDER AUTHORIZING THE EMPLOYMENT AND
RETENTION OF SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
AS SPECIAL REGULATORY COUNSEL TO THE DEBTORS**

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

Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, "Allegiance" 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 section 1102 of the Bankruptcy Code, the United States Trustee for the Southern District of New York the (the "U.S. Trustee") appointed a statutory committee of unsecured creditors (the "Creditors' Committee") in these chapter 11 cases.

Jurisdiction

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

An Overview of Allegiance's Business

4. The Debtors are facilities-based national local exchange carriers that provide 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. The Debtors offer their 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 collocation 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 collocation, managed modem ports and Internet protocol traffic aggregation; and
- customer premise equipment sales and maintenance services.

5. As of the June 30, 2003, Allegiance served more than 100,000 business customers in major markets throughout the United States. As of June 30, 2003, Allegiance employed approximately 3,350 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.

Relief Requested

7. On May 14, 2003, the Debtors filed that certain Application of the Debtors for Entry of an Order Pursuant to Sections 105(a), 327, 328, 330 and 363(c) of the Bankruptcy Code Authorizing Employment of Professionals Utilized in the Ordinary Course of the Debtors' Businesses (the "OCP Application"). On June 13, 2003, this Court entered an order (the "OCP Order") approving the OCP Application and authorizing the retention of professionals, listed on Exhibit "A" to the OCP Application, without the submission of separate employment applications, affidavits and the issuance of separate retention orders for each individual professional firm. Pursuant to the OCP Order, Swidler Berlin Shereff Friedman, LLP ("Swidler Berlin") was classified as an Ordinary Course Professional (as such term is defined in the OCP

Application) and retained by the Debtors to provide certain limited legal services, primarily involving representing the Debtors before the state regulatory commissions (“State PUCs”).

8. In light of important new decisions and proceedings that are or may be arising at the Federal Communications Commission (the “FCC”) and which will have a significant impact on the business and operations of the Debtors, the Debtors have determined that they will need Swidler Berlin to perform additional legal services that may, at times, cause it to exceed the monthly payment limits imposed under the OCP Order. In addition, Swidler Berlin’s services may be required regarding telecommunications regulatory issues that may arise in connection with the preparation and implementation of the Debtors’ plan of reorganization and/or sale of assets or transfer of control by the Debtors, including, but not limited to, preparing any regulatory filings and seeking required regulatory approvals.

9. Accordingly, by this Application, the Debtors seek authority, pursuant to sections 327(e) and 328 of the Bankruptcy Code, to retain and employ Swidler Berlin, effective as of the date of the Application, as special regulatory counsel in these chapter 11 cases to perform certain legal services related to regulatory matters.

Basis for Relief

Swidler Berlin’s Qualifications

10. Swidler Berlin has unique expertise and knowledge of the Debtors’ telecommunication businesses and specialized in matters before the FCC and the State PUCs. Attorneys at Swidler Berlin have a long-standing relationship with the Debtors and are familiar with the Debtors’ business operations and regulatory affairs. Prior to the Commencement Date, Swidler Berlin represented the Debtors in a variety of matters involving, among other things, issues arising in connection with various State PUCs and the FCC. For example, Swidler Berlin

has (a) assisted the Debtors in obtaining federal and state telecommunications licenses, (b) advised the Debtors of regulatory compliance issues and (c) obtained federal and state regulatory approvals for various transactions. As a consequence of the breadth of Swidler Berlin's representation of the Debtors, Swidler Berlin is intimately familiar with the complex legal issues that have arisen and are likely to arise in connection with the Debtors' business operations, their restructuring and their strategic and transactional goals.

11. Due to Swidler Berlin's recognized expertise in regulatory affairs, the Debtors believe that Swidler Berlin is uniquely qualified to assist them with the legal issues that have arisen and are likely to arise in connection with the regulatory aspects of the Debtors' businesses and these chapter 11 cases. Regulatory compliance and developments are critical to the ongoing success of the Debtors since the FCC and the State PUCs are the governmental bodies that regulate the Debtors' businesses and issue licenses essential to the Debtors' ongoing operations. It is essential for the Debtors to remain aware of and be in compliance with regulatory obligations and to be advised of the regulatory implications and requirements as part of the Debtors' chapter 11 cases because the strategies adopted to address these matters will affect the Debtors' ability to continue to provide services, preserve and maintain Debtors' operating assets, remain competitive in the industry, and assure that their restructuring is consistent with regulatory requirements.

12. Based on the foregoing, and, specifically, given Swidler Berlin's familiarity with the Debtors' business and operations, the Debtors believe that Swidler Berlin will be a critical provider of legal services to the Debtors in connection with their regulatory matters. Accordingly, Swidler Berlin's retention as special regulatory counsel is in the best interest of the Debtors and their estates and creditors.

Services to Be Provided

13. The legal services that Swidler Berlin will provide to the Debtors shall include, but not be limited to, the following:

- (a) legal advice with respect to the Debtors' regulatory affairs in the context of asset sales or a reorganization;
- (b) legal advice with respect to the Debtors' regulatory affairs in the continued operation of their businesses and management of their properties; and
- (c) other legal services, as requested by the Debtors, which may be necessary and proper in furtherance of the foregoing duties.

14. Swidler Berlin has indicated its willingness to render the necessary legal services described above as special regulatory counsel. The Debtors reserve their rights to expand the scope of services to be provided by Swidler Berlin, if necessary.

15. In addition to Swidler Berlin, by separate applications filed with this Court, the Debtors have retained Kirkland & Ellis LLP ("K&E"), as bankruptcy counsel, Togut, Segal & Segal LLP ("TS&S"), as conflicts counsel, and Latham & Watkins LLP ("Latham"), as counsel to special committee of independent directors of the Debtors' board of directors. Notably, certain aspects of the Debtors' representation will necessarily require Swidler Berlin, K&E, TS&S and Latham to provide cohesive legal services. In that regard, the Debtors submit that the services to be provided by Swidler Berlin will be complimentary rather than duplicative of the services performed by K&E, TS&S and Latham in these chapter 11 cases. Swidler Berlin, K&E, TS&S and Latham will communicate with each other to ensure that there is no duplication of services performed for or charged to the Debtors' estates.

Swidler Berlin's Disinterestedness

16. To the best of the Debtors' knowledge, except as disclosed in the Affidavit of Jean L. Kiddoo, Esq. (the "Kiddoo Affidavit"), annexed hereto as Exhibit "1," filed in support of this Application, the partners and other attorneys of Swidler Berlin (a) do not represent or hold any interest adverse to the Debtors and their estates with respect to the matters on which Swidler Berlin is to be retained in these cases and (b) have no connection to the Debtors, the Debtors' creditors or any other party in interest, or their respective attorneys and accountants, the U.S. Trustee, or any person employed in the Office of the U.S. Trustee that would affect Swidler Berlin's ability to represent the Debtors in these cases.

17. As disclosed in the Kiddoo Affidavit, Swidler Berlin has not represented the Debtors' creditors, equity security holders, or any other parties in interest, or their respective attorneys, in any matter relating to the Debtors or their estates. As further disclosed in the Kiddoo Affidavit, Swidler Berlin, however, may have represented in the past, may currently represent or may represent in the future certain parties in interest in connection with matters unrelated to these chapter 11 cases.

18. Swidler Berlin is conducting a continuing inquiry into any matters that might affect its disinterested status. In the event additional disclosure is necessary, Swidler Berlin will file a supplemental affidavit with the Court setting forth any facts and circumstances relevant thereto.

Terms of Compensation

19. Subject to Court approval, pursuant to section 330(a) of the Bankruptcy Code, compensation will be payable to Swidler Berlin on an hourly basis, plus reimbursement of

actual, necessary expenses incurred by Swidler Berlin. The principal attorneys and paralegals designated to represent the Debtors and their current standard hourly rates are as follows:

(a)	Andrew D. Lipman	\$500 per hour
(b)	Jean L. Kiddoo	\$470 per hour
(c)	Eric J. Branfman	\$425 per hour
(d)	Patrick Donovan	\$360 per hour
(e)	Harisha Bastiampillai	\$330 per hour
(f)	Philip J. Macres	\$260 per hour
(g)	M. Renee Britt	\$165 per hour

20. The hourly rates set forth above are Swidler Berlin's standard hourly rates for work of this nature and are subject to periodic adjustments to reflect economic and other conditions. These rates are set at a level designated to fairly compensate Swidler Berlin for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. It is Swidler Berlin's policy to charge its clients in all areas of practice for all other expenses incurred in connection with each client's case. The expenses charged to clients include, among other things, telephone and telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, travel expenses, expenses for "working meals," computerized research, transcription costs, as well as non-ordinary overhead expenses such as secretarial and other overtime. Swidler Berlin will charge the Debtors for these expenses in a manner and at rates consistent with charges made generally to Swidler Berlin's other clients and consistent with the guidelines of this Court. Swidler Berlin believes that is fair to charge these expenses to the clients incurring them rather than to increase its hourly rates and spread the expenses among all clients.

21. Prior to the Commencement Date, Swidler Berlin was retained by the Debtors and Swidler Berlin received a retainer in the amount of \$48,515.00 (the "Retainer"). Prior to the Commencement Date, Swidler Berlin was owed, for professional services rendered,

\$9,964.12 (the "Prepetition Fees") by the Debtors. Upon entry of an order approving the retention and employment of Swidler Berlin by the Debtors, Swidler Berlin will apply a portion of the Retainer received from the Debtors to the Prepetition Fees. Swidler Berlin will hold the remaining portion of the Retainer to apply to fees, charges and disbursements relating to services rendered subsequent to the Commencement Date as may be further ordered by this Court.

22. The Debtors desire to retain Swidler Berlin under a general retainer because of the extensive legal services that may be required and the fact that the nature and extent of such services are not completely known at this time.

23. Swidler Berlin will submit interim and final applications for compensation in accordance with the Bankruptcy Code, Bankruptcy Rules, the Local Rules for the Southern District of New York, the Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Monthly Compensation and Reimbursement of Expenses for Professionals, entered by the Court on June 13, 2003, and such other and further orders as the Court may direct.

Waiver of Memorandum of Law

24. 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 Motion pursuant to rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York.

Notice

25. Notice of this Motion has been provided: (a) the U.S. Trustee; (b) attorneys for the Debtors' prepetition lenders; (c) attorneys for the Creditors' Committee; and (d)

all the other parties on the Master Service List maintained in these chapter 11 cases. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is required.

26. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request that this Court (i) grant the Application and (ii) grant the Debtors such other and further relief as it deems just and proper.

Dated: New York, New York
November 6, 2003

Respectfully submitted,

/s/ Jonathan S. Henes

Matthew A. Cantor (MC-7727)

Jonathan S. Henes (JH-1979)

KIRKLAND & ELLIS LLP

Citigroup Center

153 East 53rd Street

New York, New York 10022-4675

Telephone: (212) 446-4800

Facsimile: (212) 446-4900

Attorneys for Debtors and Debtors in Possession

EXHIBIT 1

Affidavit of Jean L. Kiddoo

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

DISTRICT OF COLUMBIA)
) ss:
CITY OF WASHINGTON)

1. I am a member of the bar of the District of Columbia and a member of Swidler Berlin Shereff Friedman LLP, located at 3000 K Street, NW, Suite 300, Washington, D.C. 20007 (“Swidler Berlin” or the “Firm”). I am familiar with the clients represented by Swidler Berlin.

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for Allegiance Special Counsel Retention v6.DOC

Swidler Berlin's Qualifications

3. Swidler Berlin is a general practice law firm which offers corporate, litigation, and regulatory advice to clients. Swidler Berlin has a strong focus on representation of regulated entities, including telecommunications carriers and service providers. Swidler Berlin's telecommunications practice group is widely recognized for its telecommunications regulatory expertise. Swidler Berlin handles matters in virtually every aspect of telecommunications law, including local, long distance and international telephone common carriage; Internet services and technologies; conventional and emerging wireless services; satellite services; competitive video services; and telecommunications equipment manufacturing and other technology applications. Swidler Berlin also counsels telecommunications and technology clients in transactional, securities, international, litigation, legislative and land use issues. The Firm's practice extends to all 50 states, U.S. Territories, and many international markets. Swidler Berlin also has represented several telecommunications carriers and service providers in reorganization and liquidation proceedings.

Swidler Berlin's Relationship with the Debtors

4. Since approximately July 1997, Swidler Berlin has been the Debtors' primary counsel in the United States for state and federal telecommunications regulatory issues arising from the Debtors' construction, installation, operation, and acquisition of telecommunications equipment and their provision of telecommunications services, and has represented Debtors in state and federal telecommunications regulatory matters and judicial proceedings involving regulatory decisions. Such matters have included, for example, seeking certifications and

transfer approvals from state and federal regulatory agencies, regulatory compliance, regulatory strategy, and participation in federal and state regulatory proceedings.

Swidler Berlin's Connections to the Debtors and Other Parties

5. Neither I nor any principal of or professional employed Swidler Berlin, insofar as I have been able to ascertain, (a) represents or holds any interest adverse to the Debtors and their estates with respect to the matters on which Swidler Berlin is to be retained in these cases and (b) has any connection to the Debtors, the Debtors' creditors or any other party in interest, or their respective attorneys and accountants, the United States Trustee, or any person employed in the Office of the United States Trustee that would affect Swidler Berlin's ability to represent the Debtors in these cases.

6. Swidler Berlin has conducted a series of searches of its records to identify representations and relationships with creditors and other parties in interest (or potential parties in interest) in respect of the Debtors. Specifically, Swidler Berlin has searched its records to identify circumstances in which Swidler Berlin had relationships with clients other than the Debtor entities on matters involving the Debtor entities. In addition, Swidler Berlin has searched its records to identify representations and potential relationships with the following entities, the names of which have been provided to Swidler Berlin by the Debtors: (a) the Debtors; (b) equity security holders of the Debtors; (c) current and former directors and officers of the Debtors from 2001 through 2003; (d) the significant vendors of the Debtors; (e) parties to significant actual or known potential litigation with the Debtors; (f) insurers of the Debtors; (g) the top 40 unsecured creditors of the Debtors; (h) the significant customers of the Debtors; (i) landlords of the Debtors; (j) major competitors of the Debtors; (k) indenture trustee; (l) beneficiaries of letters of

credit; (l) the bank group; (m) beneficiaries of performance bonds; (n) bondholders of 11 3/4% senior discount notes; (o) bondholders of 12 7/8% senior notes; (p) creditors under capital lease agreements; (q) professionals retained by the Debtors; and (r) judgment lien holders (collectively, the "Retention Checklist").

7. Swidler Berlin may have performed services in the past, may currently perform services and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in interest in these chapter 11 cases. Based upon the review described in Paragraph 6 above, the entities listed on the copy of the Retention Checklist, annexed hereto as Exhibit "A," that are marked with an asterisk (*) are known to be current or former clients or affiliates of current or former clients of the Firm. To the best of my knowledge, Swidler Berlin's representation of those entities is not adverse to the Debtors or their estates with respect to the matters on which Swidler Berlin is retained in these cases, and it is my belief that the Firm's relationship with those entities will not otherwise affect the Debtors or their estates.

8. Andrew Lipman, a member of the Firm, currently serves as a Director of Allegiance Telecom, Inc. Mr. Lipman has served in that capacity since May 2001 and received compensation of \$10,000 for calendar year 2002 and \$41,250 to date for calendar year 2003 for this service. Mr. Lipman owns a total of 52,550 shares of Allegiance Telecom, Inc.'s common stock, of which 37,500 are shares of restricted stock. Mr. Lipman has deferred the distribution of vested restricted stock until a later date. Mr. Lipman's connection with the Debtors is also marked by an asterisk (*) on Exhibit "A."

9. Two other individual members of Swidler Berlin hold publicly traded securities of the Debtors. Neither of these individuals is or will be working on matters undertaken by Swidler Berlin on behalf of the Debtors.

10. Swidler Berlin believes that none of the relationships described in this Affidavit will affect Swidler Berlin's ability to represent the Debtors.

11. Based on the information provided to Swidler Berlin by the Debtors in the Retention Checklist, the Firm has made reasonable efforts to discover and disclose the existence of any conflict of interest or connections. Swidler Berlin is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of its employment, Swidler Berlin should discover any facts bearing on the matters described herein, Swidler Berlin will file a supplemental affidavit with the Court setting forth any facts and circumstances relevant thereto.

Swidler Berlin's Proposed Retention and Compensation

12. The professional services that Swidler Berlin will render to the Debtors include, but shall not be limited to, the following:

- (a) legal advice with respect to the Debtors' regulatory affairs in the context of asset sales or a reorganization;
- (b) legal advice with respect to the Debtors' regulatory affairs in the continued operation of their businesses and management of their properties; and
- (c) other legal services, as requested by the Debtors, which may be necessary and proper in furtherance of the foregoing duties.

13. Swidler Berlin, at the request of the Debtors, may provide additional legal services as deemed appropriate and necessary in these chapter 11 cases.

14. Swidler Berlin will charge the following standard hourly rates for the principal attorneys and paralegals designated to represent the Debtors:

- | | | |
|-----|-----------------------|----------------|
| (a) | Andrew D. Lipman | \$500 per hour |
| (b) | Jean L. Kiddoo | \$470 per hour |
| (c) | Eric J. Branfman | \$425 per hour |
| (d) | Patrick Donovan | \$360 per hour |
| (e) | Harisha Bastiampillai | \$330 per hour |
| (f) | Philip J. Macres | \$260 per hour |
| (g) | M. Renee Britt | \$165 per hour |

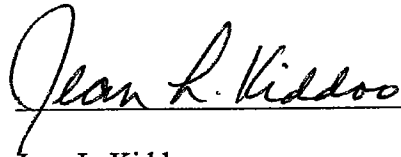
15. It is Swidler Berlin's policy to charge its clients in all areas of practice for all other expenses incurred in connection with each client's case. The expenses charged to clients include, among other things, telephone and telecopier toll and other charges, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, travel expenses, expenses for "working meals," computerized research, transcription costs, as well as non-ordinary overhead expenses such as secretarial and other overtime. Swidler Berlin will charge the Debtors for these expenses in a manner and at rates consistent with charges made generally to Swidler Berlin's other clients and consistent with the guidelines of this Court.

16. Prior to the Commencement Date, Swidler Berlin was retained by the Debtors and Swidler Berlin received a retainer in the amount of \$48,515.00 (the "Retainer"). Prior to the Commencement Date, Swidler Berlin was owed, for professional services rendered, the amount of \$9,964.12 (the "Prepetition Fees") by the Debtors. Upon entry of an order approving the retention and employment of Swidler Berlin by the Debtors, Swidler Berlin will apply a portion of the Retainer received from the Debtors to the Prepetition Fees. Swidler Berlin will hold the

remaining portion of the Retainer to apply to fees, charges and disbursements relating to services rendered subsequent to the Commencement Date as may be further ordered by this Court.

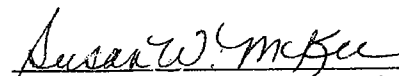
17. Neither I nor any principal of or professional employed by Swidler Berlin has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principals and regular employees of Swidler Berlin as permitted by section 504 of the Bankruptcy Code. The proposed retention of Swidler Berlin is not prohibited by Rule 5002 of the Federal Rules of Bankruptcy Procedure.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing
is true and correct.



Jean L. Kiddoo

Subscribed and sworn to before me
this 6^m day of November, 2003.



Notary Public in and for the District of Columbia

My commission expires: November 30, 2003

Exhibit A

Debtors

Allegiance Telecom, Inc.
Adgrafx Corporation
ALGX Business Internet, Inc.
Allegiance Internet, Inc.
Allegiance Telecom Company Worldwide
Allegiance Telecom International, Inc.
Allegiance Telecom of Arizona, Inc.
Allegiance Telecom of California, Inc.
Allegiance Telecom of Colorado, Inc.
Allegiance Telecom of Florida, Inc.
Allegiance Telecom of Georgia, Inc.
Allegiance Telecom of Illinois, Inc.
Allegiance Telecom of Indiana, Inc.
Allegiance Telecom of Maryland, Inc.
Allegiance Telecom of Massachusetts, Inc.
Allegiance Telecom of Michigan, Inc.
Allegiance Telecom of Minnesota, Inc.
Allegiance Telecom of Missouri, Inc.
Allegiance Telecom of Nevada, Inc.
Allegiance Telecom of New Jersey, Inc.
Allegiance Telecom of New York, Inc.
Allegiance Telecom of North Carolina, Inc.
Allegiance Telecom of Ohio, Inc.
Allegiance Telecom of Oklahoma, Inc.
Allegiance Telecom of Oregon, Inc.
Allegiance Telecom of Pennsylvania, Inc.
Allegiance Telecom of Texas, Inc.
Allegiance Telecom of The District of Columbia, Inc.
Allegiance Telecom of Virginia, Inc.
Allegiance Telecom of Washington, Inc.
Allegiance Telecom of Wisconsin, Inc.
Allegiance Telecom Purchasing Company
Allegiance Telecom Service Corporation
Coast to Coast Telecommunications, Inc.
Hosting.com, Inc.
InterAccess Telecommunications Co.
Jump.Net, Inc.
Shared Technologies Allegiance, Inc.
Virtualis Systems, Inc.

Current Officers Allegiance Telecom, Inc.

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surrence
G. Clay Myers
J. Timothy Naramore
Kevin Joseph

Lawrence E. Strickling
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Sanjeev Sethi
Annie S. Terry

Current Directors of Allegiance Telecom, Inc.

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
James E. Crawford, III
Paul J. Finnegan
Jacob J. Goldberg
Reed E. Hundt
Andrew D. Lipman
James N. Perry, Jr.

Current Officers Allegiance Telecom Company Worldwide

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surrence
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

Current Directors of Allegiance Telecom Company Worldwide

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

Current Officers Allegiance Telecom International, Inc.

Royce J. Holland

C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom International, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers Allegiance
Service Corporation**

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Service Corporation**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance Telecom
Purchasing Company**

Royce J. Holland

C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance Telecom
Purchasing Company**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom Of Arizona, Inc.**

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom Of Arizona, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of California, Inc.**

Royce J. Holland

C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of California, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of Colorado, Inc.**

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of Colorado, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance Telecom
Of the District of Columbia, Inc.**

Royce J. Holland
C. Daniel Yost

Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance Telecom
Of the District of Columbia, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of Florida, Inc.**

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of Florida, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of Georgia, Inc.**

Royce J. Holland
C. Daniel Yost

Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of Georgia, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of Illinois, Inc.**

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of Illinois, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of Indiana, Inc.**

Royce J. Holland
C. Daniel Yost

Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of Indiana, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance Telecom of
Maryland, Inc.**

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Officers of Allegiance
Telecom of Maryland, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance Telecom
Of Massachusetts, Inc.**

Royce J. Holland
C. Daniel Yost

Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance Telecom
Of Massachusetts, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of Michigan, Inc.**

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of Michigan, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of Minnesota, Inc.**

Royce J. Holland
C. Daniel Yost

Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of Minnesota, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance Telecom
Of Missouri, Inc.**

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Officers of Allegiance Telecom
Of Missouri, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom Of Nevada, Inc.**

Royce J. Holland
C. Daniel Yost

Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surrette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom Of Nevada, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of New Jersey**

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surrette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of New Jersey**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of New York, Inc.**

Royce J. Holland
C. Daniel Yost

Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surrette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of New York, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of North Carolina, Inc.**

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surrette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of North Carolina, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers Of Allegiance
Telecom of Ohio, Inc.**

Royce J. Holland

C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors Of Allegiance
Telecom of Ohio, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of Oklahoma, Inc.**

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of Oklahoma, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of Oregon, Inc.**

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Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of Oregon, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

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Telecom of Pennsylvania, Inc.**

Royce J. Holland
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Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
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Kenneth C. Close
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**Current Directors of Allegiance
Telecom of Pennsylvania, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of Texas, Inc.**

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Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of Texas, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of Virginia, Inc.**

Royce J. Holland
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Thomas M. Lord
Anthony J. Parella
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Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of Virginia, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of Washington, Inc.**

Royce J. Holland

C. Daniel Yost
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Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Officers of Allegiance
Telecom of Washington, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of Allegiance
Telecom of Wisconsin, Inc.**

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of Allegiance
Telecom of Wisconsin, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

Current Officers of Allegiance Internet, Inc.

Royce J. Holland
C. Daniel Yost

Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry
Mitchell Romm
Melanie Haratunian

Current Officers of Allegiance Internet, Inc.

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of InterAccess
Telecommunications Co.**

Royce J. Holland
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Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry
Kieran Athy

**Current Directors of InterAccess
Telecommunications Co.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

Current Officers of Virtualis Systems, Inc.

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C. Daniel Yost

Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

Current Directors of Virtualis Systems, Inc.

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

Current Officers of Jump.Net, Inc.

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

Current Officers of Jump.Net, Inc.

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

Current Officers of Adgrafix, Inc.

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette

G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

Current Officers of Adgrafix, Inc.

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

Current Officers of Hosting.com, Inc.

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close

Current Director of Hosting.com, Inc.

Mark B. Tresnowski

**Current Officers of
Coast To Coast Telecommunications, Inc.**

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson

Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of
Coast To Coast Telecommunications, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of
ALGX Business Internet, Inc.**

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson
Christine Kornegay
Kenneth C. Close
Annie S. Terry

**Current Directors of
ALGX Business Internet, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

**Current Officers of
Shared Technologies Allegiance, Inc.**

Royce J. Holland
C. Daniel Yost
Thomas M. Lord
Anthony J. Parella
Mark B. Tresnowski
Deborah Surette
G. Clay Myers
J. Timothy Naramore
Kevin Joseph
Lawrence E. Strickling
Mark A. Stachiw
Richard H. Anderson

Christine Kornegay
Kenneth C. Close
Annie S. Terry
John F. Wassenbergh

**Current Directors of
Shared Technologies Allegiance, Inc.**

Mark B. Tresnowski
Annie S. Terry
G. Clay Myers

Former Officers

Melody A. Blanks Avers
Joseph Bartlett
Peter Ciaraldi
Dana Crowne
John Debus
Jeffrey S. Feinberg
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John Ted Gilmore
Thomas Ed Hays
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Patricia E. Koide
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Christopher Malinowski
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Ted H. Nichols
Morton Posner
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Vincent J. Tozzi
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William J. Wilson Sr.

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Richard Frisbe
Alan Goldberg
Howard Hoffen
Dino Vendetti

Parties To Litigation

Ace Cash Express
Africarm Market Ltd.
Air Around The Clock
Anne Marie's Catering
Apple Dentists
Ashley Layne Design
Brelan, Inc. dba TGF Haircutters
Brown, Stanley E.
CampusLink
Cappuccio
Carribean Resorts
D.N.K. Management, Inc.
Dietrich & Associates
Dpi Teleconnect, Inc.
G&R Check Cashing Corp.
Girdler, Deborah
Goldman Sachs I and II
ICG Communications
InteCap
J.L.M., Inc.
Kane, Linda
Kosher Konnection
Kramer, Pamela
Law Offices of Lin & Associates
Legal Services Associates
Life Sciences Corp.
Maid in the USA t/a Maid To Perfection
Maynard, Alison dba Law Offices of Alison Maynard
Mirage Tile & Marble Co., Inc.
Navarro Property
Network Dynamics Cabling
Notre Dame Law Associates
One Stop Realtour Place
Payne, Robert B. and Barbara L.
Poe, Jason
Polyspede Electronics
Robin Millen Collections
Scheideler & Associates
Shayan Enterprises, LLC
Signature Consultants
State Farm Insurance Company
The Tub Factory
Totally Wireless Choice
Trinity National Corporation
Tweel Home
Uptown Transit Corporation
Walker, Brian
Zone International, Inc.

Top 40 Unsecured Creditors

Pacific Bell
Southwestern Bell
Verizon
Ameritech
Broadwing Communication Services Inc.
Qwest
Alcatel, Inc.
NCX Office Developer LP
Nortel Networks Inc.
AT&T
WorldCom Inc.
Southern California Edison
XO Communications
System Services
Edocs Inc.
Adtran Inc.
Extreme Networks
Level 3 Communications LLC
NEC America, Inc.
Sunbelt Telecommunications
Assured Industries
Sprint
EMC Corporation
JP Morgan Chase
Lucent Technologies
***DSET Corporation** (ADL on BoD until 12/02)**
The Point Group
Advance Telecom Res.
Walker & Associates Inc.
Power Conversion Products
MCI Worldcom Communications
Hewlett-Packard

Creditors Under Capital Lease Agreements

Broadwing Communications Services, Inc.
CC II Realty, Inc.
CitiCapital (Fidelity Leasing)
Clarity Credit Corporation
Communication Systems Development, Inc.
Dell Financial Services
Deutsche Bank
Fiber Technologies Networks, L.L.C.
Fidelity Leasing
GE Capital Fleet Services
Grande Communications Networks, Inc.
Level 3 Communications, LLC
LINC Receivables
Looking Glass Networks, Inc.
Metromedia Fiber Network Service, Inc.
RCN Telecom Services, Inc.
Sony Financial Services

Sprint Communications Company
United Capital

The Bank Group

GE Capital Services
ABN Amro Bank
Absolute Rec Hedge LP
Absolute Rec Hedge LTD
Bank Austria
Bank of America
Bank of Nova Scotia
Bayerische Hypo
BNP Paribas
CIT Lending Services Cor
Cobank
Credit Suisse First Boston
Dresdner Bank
Fleet
Fortis Bank
Goldman Sachs
Gryphon Master Fund, LP
IBM Credit Corporation
ING Capital Corp.
Langley Partners, LP
Morgan Stanley Senior Funding
Pauraque Partners
R2 Investments,
R2 Top Hat, LTD
Toronto Dominion
UBS AG
Union Bank of California

Indenture Trustee

The Bank Of New York

Beneficiaries of Performance Bonds

Beebe Medical Center
Central Washington University
City of Billings Montana
City of Seattle
Fallon Clinic, Inc.
Frederick Community College
Holtz Hotel
Lehigh County Gov. Center
Pacific Bell
Portland Community College
Rhode Island College
Southern Illinois University
Southwest Preparatory

Bondholders of 12 7/8% Senior Notes

Acuity Mutual Insurance Company
Allianz of America, Inc.
American Express Financial Corp.
Atlantic Security Bank
Blackrock Financial Management, Inc.
Canyon Capital
Cardinal Investments
Chase Manhattan Bank
Chubb Asset Managers, Inc.
Clarion
Everett Investment Co. L.P.
EWR Investments
First National Bank of Wahoo
Goldman Sachs Asset Management
High View Capital Management
HL Chapman Investments Ltd.
Indosuez Capital
Julius Baer Asset Management
Kaiser-Francis Oil Company
Kingdon Capital Management
Manufacturers & Traders Trust Co.
Merchant Securities
MM&B Holdings LLC
Nationwide Provident
Pioneer Insurance Group
Plains LTD
Spectrum Advisory Services, Inc.
Putnam Investment Management
Ricco Family Partners
Royce & Associates, LLC
Sanibel L.P.
TJK Partners Inc.

Bondholders of 11 3/4% Senior Discount Notes

AJM Holdings
Alexander Capital Management
Allian of America, Inc.
Atlantic Security Bank
American Express Financial Management
Bank of Butterfield Bermuda
Bank of Montreal
Cardinal Partners
Chase Manhattan Bank
CIBC Oppenheimer
Credit Suisse Asset Management, LLC
Conseco Capital Management, Inc.
Delaware Investment Advisers, Inc.
DKR Saturn Event Driven Holding Fund Ltd.
Euroclear Main Account
EWR Investments
F&C Management Limited
GLG Partners

Goldman Sachs Asset Management
Gryphon Capital Corp., LLC
I.G. Investment Management, Ltd.
Invesco Funds Group
Kaiser-Francis Oil Company
Kingdom Capital Management Corp.
Lap Investments
Merchant Securities
Merrill Lynch Investment Managers (U.K.)
Millenium Partners
ML CBO
Morgan Stanley Investment Management, Inc.
Mount Washington CBO
New York Life Insurance Company
Patsy R Smith Investments LP
Phoenix Administration Services
Romulus Holdings Inc.
Silver Point Capital Management
Tejas Securities Group
Trident Trust Co.

Professionals

Akin, Gump, Strauss, Hauer, Feld LLP
FTI Consulting
Greenhill & Co.
KPMG Peat Marwick
Paul, Hastings, Janofsky & Walker LLP

Landlords

111 Chelsea LLC c/o Insignia/ESG, Inc.
1120 Vermont Avenue Associates
1400 Centrepark Limited
1415 Louisiana K/LTD
1515 Market Street Associates c/o West World
Management, Inc.
1818 Market VEF II, LLC c/o Albert B. Ashforth,
LLC
2255 Partners, L.P. c/o M. David Paul Development
LLC
75-101 Federal St., L.L.C. c/o Equity Office
Properties Trust
9706 LLC
ADA Properties No. 2, Ltd.
Allegheny Center Associates
AMB Property L.P.
ASP Valley Forge, L.P.
Bank Building Limited Partnership
Bank of America, N.A. c/o Trammell Crow
Company
BHX, LLC c/o The Bulfinch Companies, Inc.
Boston Properties Limited Partnership

BP Commerce, LLC
 BRE/Metrocenter LLC c/o Realty Management Company
 CalEast Industrial Investors, LLC, Herndon Spring Park c/o CB Richard Ellis
 Callowhill Management, Inc.
 Carlyle Airport Technology Trust
 Chippewa Enterprises, Inc.
 CIN Meadows, LLC c/o Linque Management Company, Inc.
 Connecticut General Life Insurance c/o CarrAmerica Realty Corporation
 Conservation International Foundation
 Cornerstone Suburban Office, L.P.
 Distribution Drive, L.P.
 Downtown Properties LLC
 Eastridge Properties I Corporation
 Electronic Data Systems Corporation
 EOP Second and Spring, L.L.C. c/o Equity Office Properties Trust
 EOP Summit Limited Partnership
 Equity Office Properties Trust
 Equity Office Properties
 Exchange Center Partnership c/o John J. Roper Company
 First Industrial Development Services, L.P.
 First Parker Realty L.L.C.
 FRM Associates, LLC c/o Marquette Plaza
 FSP Telecom Business Center
 G&C Realty Company, LLC c/o Hotel Edison
 Gaedeke Holdings, Ltd.
 Gary A. Jones, Trustee of the Jones Family Trust
 Gateway Taft, Inc. c/o RREEF Real Estate
 Investment Managers
 Globe Building Company
 Great Lakes REIT, L.P.
 Green 90 Broad, LLC
 Guardian Westwood LLC
 Hitachi Electronic Devices
 Hood Business Park LLC
 Hudson Telegraph Associates
 Indianapolis Spec Office Investments, L.P.
 Insignia/ESG Sunnyvale
 JER/BRE Austin Tech, L.P. c/o Trammell Crow
 Central Texas, Ltd.
 Jetstar Partners, Ltd. C/o Collinternational, Inc.
 John D. and Catherine T. MacArthur Foundation
 John Hancock Mutual Life Insurance Company
 Jones Lang LaSalle Management Services I
 KM Complex, L.P.
 L.A.T. Investment Corporation
 LA/GA Business Centers, Inc. c/o Ackerman & Company
 Lake Street Industrial Partners
 Lakeview Business Center
 Laurel Office Park Partnership III

Madison Third Building Companies, LLC c/o Cohen Brothers Realty Corporation
 Marietta Street Partners, LLC
 Massachusetts Mutual Life Insurance Company c/o Transwestern Commercial Services
 Meadowlands Investments, L.L.C.
 Mendota Office Holdings LLC c/o United Properties
 Miami RPFIV Airport Corporate Center Associates
 Midway Commerce Park Properties, L.P.
 Multi-Employer Trust/Riggs Bank c/o Trammell Crow Company
 NCX Office Development, L.P.
 NeXcomm Asset Acquisition I, L.P.
 Northwestern Corporate Center Associates, L.P.
 North Hayward Corporate Center Associates
 Northwestern Development Company "B" c/o Blake Real Estate Inc.
 Oakcrest Development c/o Lewis Operating Corporation
 Olympia Properties, L.L.C. c/o Jones LaSalle Management Services, Inc.
 Orange County Business Center LLC
 PERA I-373, Inc. c/o Jones Lang LaSalle
 PhilaCompany
 Principal Properties, L.P. c/o Denholz Management, Inc.
 Prospect West C.L.P.
 Pyramid Investment Corporation
 Rockside Square One c/o The King Group
 Rostand Associates, L.L.C.
 Scott Properties
 Shurgard of Melville
 SM Brell, L.P.
 Southfield TechnceCenter RE 1, L.L.C.
 St. Paul Properties, Inc.
 Stanplace Limited Partnership
 Sterling Network Exchange, LLC
 Teachers Insurance & Annuity Association of America c/o CB Richard Ellis
 The Irvine Company
 The Pennsylvania Building Company
 Thomas Properties Group LLC
 Touchstone Partners I LLC c/o Integrated Real Estate Services, L.L.C.
 T-Pac Investments, Inc. c/o Essex Realty Management
 T-REX Technology Centers, LLC
 Trinity National Corporation
 Trizec Holdings, Inc.
 Troy Place Associates c/o Nemer Property Group
 W5 Brannan LP
 Wachovia Bank, N.A.
 WE'RE Associates
 Webster Street Partners, Ltd.
 WHVPW Real Estate Limited Partnership c/o Trammell Crow Company
 WMP IV Real Estate Limited Partnership

WXIII/FAR Yale Real Estate Limited Partnership
Zink Family Limited Partnership

Insurers

Marsh USA
Unimark Insurance Agency, Inc.

Equity Security Holders

Anthony Parella
Barclays Global Investors
California Public Employees Retirement System
Charles Daniel Yost
Dimensional Fund Advisors Inc.
Frontenac Funds
James Crawford
JHC Capital Management, LLC
Madison Dearborn
Morgan Stanley Investment Management
Olive Hill Investments
OverHill Investment
Palo Alto Investors
Royce & Associates, L.L.C.
Royce J. Holland
State Street Global Advisors
Thomas M. Lord
Vanguard Group, Inc.
West Highland Capital Inc.

Beneficiaries of Letters of Credit

111 Eighth Avenue LLC
805 Third Avenue Co.
Hartford Fire Insurance Company
Pyramid Investment Corporation
Rockside Square One
Spaulder and Slye Services LP
Touchstone Partners I LLC

Significant Vendors

Adtran Inc.
Advance Telecom Res.
Alcatel Inc.
Ameritech
Assured Industries
AT&T
Broadwing Communication Services
Daleen Solutions Inc.
DSET Corporation
Edocs Inc.
EMC Corporation

Extreme Networks
JP Morgan Chase
Looking Glass Networks
Lucent Technologies Inc.
Metromedia Fiber Network Inc.
MFS Telecom Inc.
NCX Office Developer LP
NEC America, Inc.
Nortel Networks
Pacific Bell
Qwest
Southern California Edison
Southwestern Bell
Sprint
Sunbelt Telecommunications
System Services
The Point Group
Verizon
Verizon (GTE-SW) - Line Coast
Walker & Associates
WorldCom Inc.
XO Communications

Significant Customers

Genuity
Southern Illinois University
Verizon
SBC
Level 3 Communications, LLC
Office Depot
TJMAXX
AT&T
Qwest
Worldcom
Center For Disease Control
New York Hospital
Beebe Medical Center
Cathedral Healthcare
City of Atlanta
New York Housing Authority
Iron Mountain
Phila/Police Association
San Joaquin Valley Unified Air Pollution Control Dist.
Digital Federal Credit Union
Ritz Carlton
Banner Health System
Swiss Re Financial Services
United States Army Reserve Center
Palmer & Dodge, LLP
Auburn University - Telecom Bldg.
Kaplan Inc.
Cozen & O'Connor
Boston College
Bell South
EMC Corp.

Odysey Ressurance Holdings- Kuhl Avenue
Concord Communications
Phila/Youth Study Center
Harcourt Inc-Orlando
Harris County Hospital District
Arch Chemicals
ABC Unified School District
IDX Systems
Trinity Medical Center
Stop & Shop
Concord City Hall
Millpore Corporation
Global Crossing
Sprint
Bristol Hospital/SIC Healthcare
Queen of the Valley
Medical Manager
Arizona Dept. of Transportation
Martha Stewart Living

Major Competitors

AT&T
BellSouth
LDMI/Mpower
MCI WorldCom
McLeod
Qwest
SBC
Time Warner Telecom
Verizon

Judgment Lien Holder

Stephen Wrathell, CPA, PC

HEARING DATE AND TIME: November 19, 2003, at 10:00 a.m.
OBJECTION DEADLINE: November 14, 2003, at 4:00 p.m.

KIRKLAND & ELLIS LLP
Citigroup Center
153 East 53rd Street
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Matthew A. Cantor (MC-7727)
Jonathan S. Henes (JH-1979)

Attorneys for Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**NOTICE OF HEARING ON
APPLICATION OF THE DEBTORS, PURSUANT TO
SECTIONS 327(e) AND 328 OF THE BANKRUPTCY CODE,
FOR AN ORDER AUTHORIZING THE EMPLOYMENT AND
RETENTION OF SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
AS SPECIAL REGULATORY COUNSEL TO THE DEBTORS**

PLEASE TAKE NOTICE that upon the annexed application, dated November 6, 2003 (the "Application"), of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"), requesting entry of an order authorizing the employment of Swidler Berlin Shereff Friedman, LLP as special regulatory counsel to the Debtors pursuant to sections 327(e) and 328 of title 11 of the United States Code, as more fully set forth in the Application, a hearing will be held 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 (the "Bankruptcy Court"), Alexander Hamilton Custom House,

One Bowling Green, New York, New York, 10004-1408, on November 19, 2003, at 10:00 a.m., prevailing Eastern Time, or as soon thereafter as the Debtors are heard.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the relief requested in the Application shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules of the Southern District of New York, shall set forth the name of the objectant, the nature and amount of claims or interests held or asserted by the objectant against the Debtors' estates or property, the basis for the objection, and the specific grounds therefore, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (which can be found at www.nysb.uscourts.gov) 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 served in accordance with General Order M-242, and shall further be served upon (a) Kirkland & Ellis LLP, 153 East 53rd Street, New York, New York 10022 (Attn. Samuel S. Kohn, Esq.); (b) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn. Pamela J. Lustrin, Esq.); (c) Paul, Hastings, Janofsky & Walker LLP, 600 Peachtree Street, N.E., 24th Floor, Atlanta, Georgia 30308 (Attn. Jesse Austin, III, Esq.); (d)

Akin Gump Strauss Hauer Feld LLP, 590 Madison Avenue, New York, New York 10022 (Attn. Ira S. Dizengoff, Esq.) and (e) Swidler Berlin Shereff Friedman LLP, located at 3000 K Street, NW, Suite 300, Washington, D.C. 20007 (Attn. Jean L. Kiddoo, Esq.), so as to be actually received no later than November 14, 2003, at 4:00 p.m. (prevailing Eastern Time).

Dated: New York, New York
November 6, 2003

Respectfully submitted,

/s/ Jonathan S. Henes
Matthew A. Cantor (MC-7727)
Jonathan S. Henes (JH-1979)
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Telephone: (212) 446-4800
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Attorneys for Debtors and Debtors in Possession

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

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

**ORDER AUTHORIZING THE DEBTORS TO
EMPLOY AND RETAIN SWIDLER BERLIN SHEREFF
FRIEDMAN, LLP AS SPECIAL REGULATORY COUNSEL**

Upon the application, dated November 6, 2003 (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, pursuant to sections 327(e) and 328(a) of title 11 of the United States Code (the "Bankruptcy Code"), authorizing and approving the employment and retention of Swidler Berlin Shereff Friedman, LLP ("Swidler Berlin") as special regulatory counsel to the Debtors, as more fully set forth in the Application; and upon the affidavit of Jean L. Kiddoo, Esq., a member of the firm of Swidler Berlin, sworn to on November 6, 2003 (the "Kiddoo Affidavit"), annexed to the Application as Exhibit "1"; and it appearing that this Court has jurisdiction to consider and determine the Application as a core proceeding in accordance with 28 U.S.C. §§ 157 and 1334; and the Court being satisfied, based on the representations made in the Application and the Kiddoo Affidavit, that Swidler does not hold or represent any interest adverse to the Debtors or their estates as to the matters upon which it is to be engaged; and it appearing that the relief requested in the Application is necessary and in the best interests of the Debtors' estates, their creditors, and other parties in interest; and it appearing that due and proper notice of the Application has been given and that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Application is granted, and it is further

ORDERED that, in accordance with sections 327(e) and 328 of the Bankruptcy Code, the Debtors are authorized to employ and retain Swidler Berlin, effective as of the date of the Application, as their special regulatory counsel upon the terms and conditions set forth in the Application; and it is further

ORDERED that Swidler Berlin shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, the guidelines established by the Office of the United States Trustee, and such orders and procedures as may be fixed by this Court; and it is further

ORDERED that Swidler Berlin is authorized to apply a portion of the Retainer (as defined in the Application) to pay the Prepetition Fees (as defined in the Application) (i.e., the amount of \$9,964.12) and shall hold the remaining portion of the Retainer to apply to fees, charges and disbursements relating to services rendered subsequent to the Commencement Date as may be further ordered by the Court; and it is further

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

Dated: New York, New York
November __, 2003

UNITED STATES BANKRUPTCY JUDGE