

**HEARING DATE:**  
 April 20, 2004  
 Time: 10:00 a.m.

APPLICATION OF PIPER RUDNICK LLP  
 FOR FIRST INTERIM ALLOWANCE OF COMPENSATION AND  
 REIMBURSEMENT OF EXPENSES FOR THE PERIOD  
 FROM SEPTEMBER 2, 2003 THROUGH OCTOBER 31, 2003

UNITED STATES BANKRUPTCY COURT  
 SOUTHERN DISTRICT OF NEW YORK

**NAME OF APPLICANT:**  
 Piper Rudnick LLP

-----X  
 :  
 : In re: Chapter 11  
 :  
 : ALLEGIANCE TELECOM, INC. et al., Case No. 03-13057 (RDD)  
 :  
 : Debtors. :  
 :-----X

**ROLE IN CASE**  
 Special Counsel to Debtor

Fees Previously Requested: \$-0-  
 Fees Previously Awarded: \$-0-  
 Expenses Previously Requested: \$-0-  
 Expenses Previously Awarded: \$-0-  
 Retainer on Account: \$-0-

**CURRENT APPLICATION**  
 Fees Requested: \$30,311.55  
 Expenses Requested: \$211.08

Names of Professionals/ Paraprofessionals	Year Admitted to Practice	Hours Billed: Current Application	Rate	Total For Application
<b>Partners and Counsel</b>				
Jeffrey E. Gordon	1994	49.70	301.50	14,984.55
<b>Associates</b>				
Robin K. Bohnstengel	1997	38.70	270	10,449.00
Strider L. Dickson	2002	3.20	180	576.00
Christopher S. Gunderson	2003	23.90	180	4,302.00
<b>Total</b>		<b>115.50</b>		<b>\$30,311.55</b>

**TOTAL BLENDED HOURLY RATE: \$262.44**  
 (Excluding Paraprofessionals)

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

**HEARING DATE:**

**April 20, 2004  
at 10:00 a.m.**

-----X  
In re: :  
ALLEGIANCE TELECOM, INC. et al., :  
Debtor. :  
-----X

Chapter 11  
Case No. 03-13057 (RDD)

**APPLICATION OF PIPER RUDNICK LLP  
FOR FIRST INTERIM ALLOWANCE OF COMPENSATION  
AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD  
FROM SEPTEMBER 2, 2003 THROUGH OCTOBER 31, 2003**

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

Piper Rudnick LLP ("Piper"), special counsel to Allegiance Telecom, Inc. and its direct and indirect subsidiaries, the above-captioned debtors and debtors in possession (collectively, the "Debtors"), hereby makes this application (the "Application"), pursuant to sections 330 and 331 of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") and Federal Rule of Bankruptcy Procedure 2016, for a first interim allowance of compensation for professional services rendered and reimbursement of actual and necessary expenses incurred in connection therewith for the period from September 2, 2003 through October 31, 2003. In support of the Application, Piper respectfully represents as follows:

## **Background**

1. On May 14, 2003 (the "Petition Date"), the Debtors each filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code.
2. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors are continuing to operate their businesses and manage their properties and assets as debtors in possession.
3. Pursuant to Bankruptcy Rule 1015(b), the Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered.
4. No trustee or examiner has been appointed in these chapter 11 cases.
5. By notice dated May 30, 2003, the United States Trustee for the Southern District of New York appointed a Committee of Unsecured Creditors (the "Committee").

## **RELIEF REQUESTED**

6. Piper has submitted monthly fee statements in accordance with the terms of this Court's order, dated June 13, 2003, establishing procedures for monthly compensation and reimbursement of expenses of professionals (the "Fee Order"), and pursuant to this Court's order, dated June 13, 2003, authorizing the retention of ordinary-course professionals (the "Ordinary Course Order"). The Ordinary Course Order authorizes payment to Ordinary Course Professionals of up to \$30,000.00 per month and requires the filing of a fee application for any amounts in excess of \$30,000.00 per month (the "Excess Fees and Expenses").
7. Accordingly, by this Application, Piper seeks the approval by this Court of its fees and expenses incurred in excess of \$30,000.00 for the period September 2, 2003 through

October 31, 2003 (the "Compensation Period"). In September, Piper incurred excess fees in the amount of \$18,051.30 and excess expenses in the amount of \$211.08. In October, Piper incurred excess fees in the amount of \$12,260.25. Piper is seeking approval of the full amount of its Excess Fees and Expenses for the Compensation Period: \$30,311.55 in fees and \$211.08 in expenses, in total. However, the Debtors have paid Piper a total of \$24,249.02 in excess fees and \$211.08 in excess expenses. Piper is therefore only seeking the payment of \$6,062.53 in excess fees for the Compensation Period. Piper will further reduce its request for payment of fees and reimbursement of expenses for the Compensation Period by any amount that Piper may hereafter receive for this period under the terms of the Fee Order.

8. Annexed hereto as Exhibit "A" is a summary of the partners, counsel, associates and paralegals who performed services on behalf of the Debtors during the Compensation Period, the hours of services performed by each such person, the rate charged by Piper for the services of each such person, the total value of the services performed by each person and the total value of the services performed by Piper during the Compensation Period.

9. A summary of the actual, out-of-pocket costs and expenses incurred by Piper in connection with its representation of the Debtors is annexed hereto as Exhibit "B." These costs and expenses have been incurred in accordance with Piper's customary practice of charging clients for those expenses clearly related to and required by particular matters, rather than including such charges as part of Piper's hourly rates.

10. More detailed itemization of the services performed and time spent and expenses incurred in connection with Piper's representation of the Debtors during the Compensation Period is provided in the time and disbursement records annexed hereto as Exhibit "C." Such

records are made contemporaneously with the rendition of services by the person rendering such services and in the ordinary course of Piper's billing practices.

11. All services performed and expenses incurred by Piper for which compensation or reimbursement is requested herein were performed or incurred for and on behalf of the Debtors, and were not for any other person or entity.

**SUMMARY DESCRIPTION OF  
SERVICES PERFORMED**

12. At Allegiance's request, the firm conducted an investigation with respect to, and analyzed Allegiance's legal position vis-a-vis, a dispute that had arisen under its customer contract with Level 3 Communications.

13. Piper respectfully submits that the professional services rendered by it for and on behalf of the Debtors were necessary and have contributed to the effective administration of the Debtors' cases.

14. In addition to the time outlined above, Piper incurred \$129.54 in other time charges in connection with its representation of the Debtors during the Compensation Period for which it does not seek compensation.

15. The Court's determination of the reasonableness of services provided should be done in an "objective manner, based upon what services a reasonable lawyer or legal firm would have performed...." In re Ames Dep't Stores, 76 F.3d 66, 72, (2d Cir. 1996). Piper respectfully submits that the services rendered and expenses incurred for the Compensation Period for which Piper seeks compensation and reimbursement clearly satisfy the reasonableness standard.

Further, the services provided by Piper satisfy the test for reasonableness set forth in In re First Colonial Corp. of America, 544 F.2d 1291 (5th Cir.), reh'g denied, 547 F.2d 573, cert. denied, 431 U.S. 904 (1977):

- (a) Time and labor required: Piper expended 115.50 hours of professional time on behalf of the Debtors during the Compensation Period. The services required by the Debtors during this stage of its case imposed significant time demands upon Piper's attorneys and often necessitated work beyond normal business hours.
- (b) Novelty and difficulty of questions and matters resolved: This case and the legal issues presented therein have required a high level of professional skill and expertise from professionals within Piper's litigation group.
- (c) The reputation and skill of the attorneys providing the services: As noted above, Piper has drawn upon the skill of some of its most experienced attorneys in rendering its services to the Debtors during the Compensation Period.
- (d) Preclusion of other employment: Piper's representation of the Debtors has precluded employment by L-C Illinois Center LLC, which is the landlord in a building occupied by the Debtors.
- (e) Fees charged and fees awarded in similar cases: The fees sought by Piper in this Application are commensurate with fees awarded to Piper in other cases and the fees charges by comparable law firms.

- (f) Time limitations: This case has required Piper to perform a variety of services and address numerous issues on behalf of the Debtors, often under significant time constraints.
- (g) Whether the fee is fixed or contingent: All fees sought by professionals under sections 330 and 331 of the Bankruptcy Code are contingent prior to approval by the Bankruptcy Court.
- (h) The "undesirability" of the case: Representation of the Debtors in these cases is not undesirable. As noted above, however, Piper's representation of the Debtors in these cases has required a significant commitment of time and effort by several of Piper's staff.
- (i) The results obtained: In the face of alleged breaches of contract that were being asserted by Level 3 Communications against the Debtors, Piper conducted pre-litigation analysis of the Debtors' rights and obligations under their contractual arrangement with Level 3 Communications. As a result of Piper's efforts, the Debtors are in a position to thoroughly refute any allegations of breach of contract.
- (j) The Debtors' and Piper's professional relationship. Piper has represented Allegiance Telecom since 1998 in a multitude of transactional matters including lease, technology procurement and customer contract negotiations. Piper has also been counsel to the Debtor in a small number of litigation matters involving customer disputes.

16. As set forth in the Certification of Timothy W. Walsh annexed hereto as Exhibit "D," Piper believes that the Application is in compliance with the Administrative Order of the Bankruptcy Court for the Southern District of New York setting the guidelines for fees and disbursements for professionals bankruptcy cases dated June 20, 1991, as amended on April 19, 1995 (the "Guidelines"), and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, dated January 30, 1996. In accordance with the Guidelines, time expended by Piper has been itemized based on each task performed on a particular day.

17. Further, Piper has assigned the work performed in this case to attorneys having the experience and specialization to perform the services required efficiently and properly. The partners, counsel and associates providing the services for which compensation is sought pursuant to this application specialize in the litigation of disputes. Moreover, Piper, as a general practice, seeks to use the services of law clerks and legal assistants supervised by attorneys whenever appropriate in order to limit costs and more efficiently utilize the services of attorneys. Piper has followed this practice with respect to the services rendered to the Debtors wherever possible.

18. Finally, in rendering services to and on behalf of the Debtors, Piper has taken every care to provide the legal services as efficiently as possible and to avoid duplication of services. In this regard, as much as possible, day-to-day legal work, including, but not limited to, drafting of pleadings, memoranda, stipulations, agreements and correspondence has been performed by junior to senior level associates.



19. Piper has not shared or agreed to share compensation or reimbursement to be awarded in this case with any other person.

20. No prior application has been made to this or any other Court for the relief requested herein for the Compensation Period.

21. Notice of the relief requested herein and of the relief requested by the other professionals in their respective applications for allowance of compensation has been served on all parties required to be served pursuant to the Fee Order, including the Office of the United States Trustee, the Debtors, the Committee and all parties who have filed notices of appearance and requested such notice.

22. This application does not raise any novel issues of law. Accordingly, Piper respectfully requests that the Court dispense with the requirement of Local Bankruptcy rule 9013-1(b) of submitting a separate memorandum of law.

**WHEREFORE**, Piper respectfully requests an order:

- (a) approving the final allowance of \$30,311.55 for compensation for professional services rendered by Piper during the Compensation Period;
- (b) approving the reimbursement of Piper's actual, out-of-pocket expenses for the Compensation Period in the amount of \$211.08;
- (c) authorizing and directing the Debtors to pay Piper's approved fees and approved expenses for the Compensation Period, less any amounts previously or hereafter paid for such fees and expenses under the terms of the Fee Order and the Ordinary Course Order;

- (d) authorizing and directing the Debtors to pay Piper's "holdbacks" from the itemized fee statements submitted monthly during the Compensation Period; and
- (e) granting such other and further relief as this Court deems just and proper.

Dated: March 24, 2004  
New York, New York

Respectfully submitted,

PIPER RUDNICK LLP

By: /s/ Timothy W. Walsh  
Timothy W. Walsh (TW-7409)  
1251 Avenue of the Americas  
New York, New York 100 1 9  
(212) 835-6000

Special Counsel to Allegiance Telecom, Inc. *et al.*

**EXHIBIT A**

**SUMMARY OF HOURLY FEES BY PROFESSIONAL FOR  
THE PERIOD SEPTEMBER 2, 2003 THROUGH OCTOBER 31, 2003**

<u>Name</u>	<u>Position</u>	<u>Rate</u>	<u>Hours</u>	<u>Fees</u>
Jeffrey E. Gordon	Partner	301.50	49.70	14,984.55
Robin K. Bohnenstengel	Associate	270	38.70	10,449.00
Strider L. Dickson	Associate	180	3.20	576.00
Christopher S. Gunderson	Associate	180	23.90	4,302.00
		<b>Totals:</b>	<b>115.50</b>	<b>30,311.55</b>

**EXHIBIT B**

**SUMMARY OF EXPENSES BY CATEGORY FOR THE PERIOD  
FROM SEPTEMBER 2, 2003 THROUGH OCTOBER 31, 2003**

<u>Category</u>	<u>Amount</u>
Duplicating	168.01
Long Distance Telephone	134.98
Computer Printing	11.52
<b>Total:</b>	<b>211.08</b>

**EXHIBIT C-1**

# Piper Rudnick

Fed ID #52-0616490

203 North LaSalle Street, Suite 1800  
Chicago, Illinois 60601-1293  
www.piperrudnick.com  
312.368.4000 fax 312.236.7516

Allegiance Telecom Company Worldwide  
Mark Stachiw, Esq.  
Allegiance Telecom, Inc.  
9201 N. Central Expressway  
Dallas, TX 75231

October 16, 2003  
Invoice # 1430249

**Matter Number: 210404-000025**

**Matter Name: Level 3 Communications**

For Legal Services Rendered Through September 30, 2003

For Allegiance Telecom Company Worldwide

		<u>Hours</u>
09/22/03 J. Gordon	Draft and revise e-mail messages regarding performance warranty, call blocking and abnormal disconnect issues; telephone conversations with Ms. Bohnenstengel regarding same; telephone conversation with Messrs. Mollman and LaFleur regarding same; review materials regarding same.	2.10
09/22/03 R. Bohnenstengel	Conference calls with Mr. Gordon regarding schedule and case status; e-mail to Mr. MacFarland; draft memorandum to file regarding interview with Mr. LaFleur; email correspondence to Mr. Nishimoto regarding meeting.	4.30
09/22/03 R. Bohnenstengel	Conference calls with Mr. Gordon regarding schedule and case status; e-mail to Mr. MacFarland; draft memorandum to file regarding interview with Mr. LaFleur; email correspondence to Mr. Nishimoto regarding meeting.	4.30

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Allegiance Telecom Company Worldwide  
Invoice # 1430249

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09/23/03 J. Gordon	Telephone conversation with Ms. Bohnenstengel and Mr. Dumbleton regarding short pay, performance warranty, call blocking and abnormal disconnect issues; telephone conversations with Messrs. Mollman and LaFleur regarding same; review materials regarding same.	3.50
09/23/03 R. Bohnenstengel	Prepare for telephone call with Mr. Dumbleton; telephone call with Mr. Dumbleton and Mr. Gordon regarding short pay, performance warranty, call blocking and abnormal disconnect issues; issues and action items; continue review of documents, amendments, drafts of contracts and spreadsheets regarding call; conference call with Mr. Gordon regarding call and issues raised.	5.80
09/24/03 J. Gordon	Telephone conversation with Mr. Nishimoto and Ms. Bohnenstengel regarding performance warranty, call blocking and abnormal disconnect issues; telephone conversations with Messrs. Mollman and LaFleur regarding same; review materials regarding same.	4.50
09/24/03 R. Bohnenstengel	Re-review certain of Ms. O'Connor's documents and drafts and other relevant email concerning issues raised by Mr. Dumbleton; conferences with Mr. Gordon regarding issues for call with Mr. Nishimoto; prepare outline for call with Mr. Nishimoto; conference call with Mr. Nishimoto; conference call	6.20

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Invoice # 1430249

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with Mr. Gordon regarding same.

09/25/03 J. Gordon	Draft and revise e-mail messages regarding performance warranty, call blocking and abnormal disconnect issues; telephone conversations with Ms. Bohnenstengel regarding same; telephone conversation with Messrs. Dumbleton, Mollman and LaFleur regarding same; review materials regarding same; telephone conversations with Ms. Bohnenstengel regarding same.	2.70
09/25/03 R. Bohnenstengel	Draft memorandum regarding interview with Mr. Dumbleton; draft case status e-mail to Messrs. Dougherty and Gordon; telephone conversation with Ms. O'Connor regarding specific case questions; conference with Mr. Gunderson regarding case; re-review correspondence regarding case status; e-mail correspondence with Mr. Gunderson and Mr. Gordon regarding case; telephone message to Mr. Mollman regarding case.	6.50
09/25/03 S. Dickson	Meeting for summary of Allegiance Telecom's dispute with Level 3; reviewing background documents (letters from 8/29/02-7/30/03 and INS Purchase Agreement) regarding the same dispute.	3.20
09/25/03 C. Gunderson	Review correspondence, data and contracts; Analyze indemnification provisions in Allegiance/KMC contract; Send e-mail to Mr. Gordon regarding indemnification.	2.60



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Allegiance Telecom Company Worldwide  
Invoice # 1430249

Page 4

09/26/03 J. Gordon	Draft and revise e-mail messages regarding performance warranty, call blocking and abnormal disconnect issues; telephone conversations with Ms. Bohnenstengel regarding same; telephone conversation with Messrs. Mollman and LaFleur regarding same; review materials regarding same; telephone conversations with Ms. Bohnenstengel regarding same.	2.50
09/26/03 C. Gunderson	Review Allegiance/KMC contract regarding indemnification provisions; E-mail Mr. Gordon regarding indemnification; Review Allegiance/KMC and Allegiance/Genuity contracts regarding Off-Net Port Requirements.	3.00
09/28/03 J. Gordon	Review materials regarding performance warranty, call blocking and abnormal disconnect issues; draft and review e-mail messages regarding same.	1.50
09/29/03 J. Gordon	Draft and revise e-mail messages regarding performance warranty, call blocking and abnormal disconnect issues; telephone conversations with Ms. Bohnenstengel regarding same; telephone conversation with Mr. Nishimoto regarding same; telephone conversation with Mr. Stachiw regarding same; telephone conversation with Messrs. Mollman and LaFleur regarding same; review materials regarding same.	5.70

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Allegiance Telecom Company Worldwide  
Invoice # 1430249

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09/29/03 R. Bohnenstengel	Telephone interview with Mr. Mishimoto regarding performance warranties; telephone conversation with Mr. Gordon regarding same; re-review correspondence and strategize about case; outline of issues.	3.10
09/29/03 C. Gunderson	Review Allegiance/KMC and Allegiance/Genuity contracts regarding Off-Net Port Requirements; E-mail Mr. Gordon regarding analysis of Off-Net Port Requirements and similarities in the two contracts.	2.30
09/30/03 J. Gordon	Draft and revise e-mail messages regarding performance warranty, call blocking and abnormal disconnect issues; telephone conversations with Ms. Bohnenstengel regarding same; telephone conversation with Messrs. Mollman and LaFleur regarding same; review materials regarding same.	3.70

Professional Charges This Matter	\$20,057.00
Less Discount	<u>(\$2,005.70)</u>
Total Due for Professional Charges	<u><u>\$18,051.30</u></u>

## T I M E K E E P E R S U M M A R Y

<u>TIMEKEEPER</u>	<u>TITLE</u>	<u>HOURS</u>	<u>RATE</u>	<u>FEES</u>
J. Gordon	Partner	26.20	301.50	7,899.30
R. Bohnenstengel	Associate	30.20	270.00	8,154.00

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Allegiance Telecom Company Worldwide  
Invoice # 1430249

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C. Gunderson	Associate	7.90	180.00	1,422.00
S. Dickson	Associate	3.20	180.00	576.00
		=====		=====
TOTALS		67.50		18,051.30

Disbursements and Other Charges:

09/16/03	Delivery Services -VENDOR: UNITED	19.63
	PARCEL SERVICE FROM: Jeffrey E. Gordon TO://Jason Mollman//1018 Love Point Road//STEVENSVILLE//MD	
	Computer Printing	11.52
	Duplicating	168.01
	Long Distance Telephone	11.92

Subtotal Disbursements and Related Expenses	<u>\$211.08</u>
Total Fees and Disbursements	\$18,262.38
Total Matter Current Balance	<u><u>\$18,262.38</u></u>

# Piper Rudnick

Fed ID #52-0616490

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Allegiance Telecom Company Worldwide  
Invoice # 1430249

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## INVOICE SUMMARY

Total Fees this Invoice	\$18,051.30
Total Disbursements and Other Charges this Invoice	<u>\$211.08</u>
Total Invoice Balance	<u><u>\$18,262.38</u></u>

**EXHIBIT C-2**

# Piper Rudnick

Fed ID 452-0616490

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Allegiance Telecom Company Worldwide  
Mark Stachiw, Esq.  
Allegiance Telecom, Inc.  
9201 N. Central Expressway  
Dallas, TX 75231

November 12, 2003  
Invoice # 1441448

**Matter Number: 210404-000025**

**Matter Name: Level 3 Communications**

For Legal Services Rendered Through October 31, 2002

For Allegiance Telecom Company Worldwide

		<u>Hours</u>
10/20/03 J. Gordon	Draft and revise e-mail messages regarding performance warranty, call blocking and abnormal disconnect issues; telephone conversation with Messrs. Mollman and LaFleur regarding same.	2.50
10/20/03 R. Bohnenstengel	Conference with Mr. Gordon regarding status of action items; update chronology with documents provided by Mr. Mollman.	2.20
10/21/03 J. Gordon	Draft and revise e-mail messages regarding performance warranty, call blocking and abnormal disconnect issues; telephone conversations with Mr. Mollman regarding same.	2.50
10/22/03 J. Gordon	Draft and review e-mail messages regarding call blocking issues; telephone conversations with Mr. Mollman and Ms. Bohnenstengel regarding same; review materials from Mr. LaFleur; conferences with Mr. Dougherty and Ms. Bohnenstengel regarding analysis of same and case strategy.	2.00

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Fed ID #52-0616490

Allegiance Telecom Company Worldwide  
Invoice # 1441448

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10/22/03 R. Bohnenstengel	Conference call with Mr. Mollman regarding status of analysis; update chronology.	1.60
10/23/03 J. Gordon	Draft and review e-mail messages regarding performance warranty, call blocking and abnormal disconnect issues; telephone conversations with Mr. Mollman regarding same.	1.50
10/24/03 J. Gordon	Draft and review e-mail messages regarding performance warranty, call blocking and abnormal disconnect issues; telephone conversations with Mr. Mollman regarding same.	1.00
10/27/03 J. Gordon	Draft and review e-mail messages regarding call blocking issues; telephone conversations with Mr. Mollman and Ms. Bohnenstengel regarding same; review materials from Mr. LaFleur; conferences with Ms. Bohnenstengel regarding analysis of same and case strategy.	2.50
10/27/03 R. Bohnenstengel	Itemize items completed and suggested action items in preparation for conference call with Mr. Stachin; telephone conference with Mr. Gordon regarding same.	1.20
10/28/03 J. Gordon	Conference with Messrs. Holland, Tresnowski, Stachiw, MacFarland, Dumbleton, Mollman and Ms. O'Connor regarding performance warranty and case strategy issues; review materials and prepare for	4.00

Allegiance Telecom Company Worldwide  
Invoice # 1441448

Page 3

	same; telephone conversations with Ms. Bohnenstengel regarding same; telephone conversations with Messrs. Mollman and LaFleur regarding performance warranty issues; conference with Mr. Gunderson regarding contract interpretation issues under Delaware law.	
10/28/03 R. Bohnenstengel	E-mail correspondence with Mr. Gordon describing recoupment and set-off issues; telephone conference with Mr. Mollman regarding status of review; telephone conference with Mr. Gordon regarding conference call.	2.20
10/28/03 C. Gunderson	Research regarding Delaware statute of limitations for breach of contract suits; and rules of contract interpretation for ambiguous terms	4.30
10/29/03 J. Gordon	Conference with Mr. Mollman regarding performance warranty and case strategy issues; review materials regarding same; telephone conversations with Ms. Bohnenstengel regarding same; conference with Mr. Gunderson regarding contract interpretation issues under Delaware law.	3.00
10/29/03 R. Bohnenstengel	Telephone conference with Messrs. Gordon and Mollman regarding call blocking events; conference with Mr. Gordon regarding same.	.50



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Allegiance Telecom Company Worldwide  
Invoice # 1441448

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10/29/03 C. Gunderson	Research regarding rules of contract interpretation for ambiguous terms; Research regarding use of extrinsic evidence to show intent of parties to a contract	4.50
10/30/03 J. Gordon	Conference with Mr. Mollman regarding performance warranty and case strategy issues; review materials regarding same.	2.00
10/30/03 C. Gunderson	Research regarding rules of contract interpretation for ambiguous terms; Research regarding use of extrinsic evidence to show intent of parties to a contract	5.10
10/31/03 J. Gordon	Conference with Mr. Stachiw regarding performance warranty and case strategy issues; conference with Mr. Mollman regarding same; review materials regarding same.	2.50
10/31/03 R. Bohnenstengel	Telephone conference with Mr. Mollman regarding status of investigation; conference with Mr. Gordon regarding same.	.80
10/31/03 C. Gunderson	Research regarding use of extrinsic evidence to show intent of parties to a contract	2.10
	Professional Charges This Matter	\$13,622.50
	Less Credit Authorized	<u>(\$1,362.25)</u>
	Total Due for Professional Charges	\$12,260.25



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Allegiance Telecom Company Worldwide  
Invoice # 1441448

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T I M E K E E P E R S U M M A R Y

<u>TIMEKEEPER</u>	<u>TITLE</u>	<u>HOURS</u>	<u>RATE</u>	<u>FEES</u>
J. Gordon	Partner	23.50	301.50	7,085.25
R. Bohnenstengel	Associate	8.50	270.00	2,295.00
C. Gunderson	Associate	16.00	180.00	2,880.00
		=====		=====
TOTALS		48.00		12,260.25

Total Fees and Disbursements \$12,260.25

Total Matter Current Balance \$12,260.25



Fed ID #52-0616490

203 North LaSalle Street, Suite 1800  
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Allegiance Telecom Company Worldwide  
Invoice # 1441448

Page 6

### INVOICE SUMMARY

Total Fees this Invoice	\$12,260.25
Total Disbursements and Other Charges this Invoice	<u>\$.00</u>
Total Invoice Balance	<u><u>\$12,260.25</u></u>

**EXHIBIT D**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re: : Chapter 11  
ALLEGIANCE TELECOM, INC., et al. : Case No. 03-13057 (RDD)  
Debtor. :  
-----X

**CERTIFICATION**

1. I have read the Application of Piper Rudnick LLP (“Piper”) for First Iterim Allowance of Compensation and Reimbursement of Expenses for the Period from September 2, 2003 through October 31, 2003 (the “Application”).

2. To the best of my knowledge, information and belief, formed after reasonable inquiry, the Application complies substantially with the mandatory guidelines set forth in the Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases dated June 20, 1991, as amended on April 19, 1995 (the “Guidelines”), and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. sec. 330, dated January 30, 1996 (the “Trustee Guidelines.”)

3. To the best of my knowledge, information and belief, formed after reasonable inquiry, the fees and disbursements sought in the Application fall within the Trustee Guidelines, except as specifically noted in this Certification and in the Application.

4. To the best of my knowledge, information and belief, formed after reasonable inquiry, except as set forth in the Application, the fees and disbursements sought are billed at rates in accordance with practices customarily employed by Piper and generally accepted by Piper’s clients.

5. To the best of my knowledge, information and belief, formed after reasonable inquiry: in providing reimbursable services, Piper does not make a profit on these services; in charging for a particular service, Piper does not include in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment or capital outlay; in seeking reimbursement for services which Piper justifiably purchases or contracted from a third party, Piper seeks reimbursement only for the amount paid by Piper to such vendor.

Dated: March 24, 2004  
New York, New York

/s/Timothy W. Walsh  
Timothy W. Walsh  
Piper Rudnick LLP  
1251 Avenue of the Americas  
New York, New York 10020

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

**Hearing Date: April 20, 2004**  
**Time: 10:00 a.m.**

..... X  
In re: :  
ALLEGIANCE TELECOM, INC., et al., :  
Debtors :  
..... X

**Objection Date: April 16, 2004**  
Chapter 11  
Case No. 03-13057 (RDD)

**NOTICE OF HEARING ON APPLICATION OF PIPER RUDNICK LLP  
FOR FIRST INTERIM ALLOWANCE OF COMPENSATION AND  
REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM  
SEPTEMBER 2, 2003 THROUGH OCTOBER 31, 2003**

**PLEASE TAKE NOTICE** that a hearing will be held on the application of Piper Rudnick for its first interim allowance of compensation and reimbursement of expenses for the period from September 2, 2003 through October 31, 2003 (the "Application"), before the Honorable Robert D. Drain, United States Bankruptcy Judge, on April 20, 2004 at 10:00 a.m. (the "Hearing Date"), at the United States Bankruptcy Court, the Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004-1408, or as soon thereafter as counsel can be heard.

**PLEASE TAKE FURTHER NOTICE** that objections, if any, to the Application, must be in writing and filed with the Clerk of the Court, United States Bankruptcy Court, Southern District of New York, One Bowling Green, New York, New York 10004-1408, (a)(i) through the Bankruptcy Court's electronic filing system (in accordance with General Order M-242), which may be accessed (with a password which is available by contacting the Bankruptcy Court's technical assistance at (212) 668-2870, ext. 3522, Monday through Friday, 8:30 a.m. to 5:00 p.m.) through the Internet at the Bankruptcy Court's website: [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov), using Netscape Navigator software version 3.0 or higher, and (ii) in portable document format (PDF) using Adobe Exchange software for conversion; or (b) if a party is unable to file electronically, such party shall submit the objection in PDF format on a diskette in an envelope with the case name, case number, type and title

of document, document number of the document to which the objection refers, and the file name on the outside of the envelope; or (c) if a party is unable to file electronically or use PDF format, such party shall submit the objection on a diskette in either Word, WordPerfect, or DOS text (ASCII) format. An objection filed by a party with no legal representation shall comply with section (b) or (c) as set forth in this paragraph. A hard copy of the objection, whether filed pursuant to section (a), (b) or (c), as set forth in this paragraph, shall be hand-delivered directly to the Chambers of the Honorable Robert D. Drain, and served so as to be received by (a) the Office of the United States Trustee, 33 Whitehall Street, New York, New York 10004, Attention Pamela Lustrin, Esq.; and (b) Piper Rudnick LLP, 1251 Avenue of the Americas, New York, New York 10020-1104, Attention: Timothy W. Walsh, Esq., not later than April 16, 2004.

**PLEASE TAKE FURTHER NOTICE** that if no objection is timely filed with the Court and served upon and received by the entities designated in the foregoing paragraph, the Court may enter an order granting the Application in the amounts requested.

**PLEASE TAKE FURTHER NOTICE** that the hearing on the Application may be adjourned without further notice except as announced in open court on the Hearing Date or at any adjourned hearing.

Dated: March 24, 2004  
New York, New York

PIPER RUDNICK LLP

By: /s/Timothy W. Walsh

Timothy W. Walsh (TW-7409)  
1251 Avenue of the Americas  
New York, New York 10020-1104  
Tel: (212) 835-6000  
Fax: (212) 835) 6001



UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

**HEARING DATE:**  
**April 20, 2004**  
**at 10:00 a.m.**

-----X  
In re: :

Chapter 11

ALLEGIANCE TELECOM, INC. et al., :

Case No. 03-13057 (RDD)

Debtor. :  
-----X

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

TIMOTHY W. WALSH, being duly sworn, deposes and says:

1. I am an attorney at the firm of Piper Rudnick LLP ("Piper"), which maintains offices for the practice of law at 1251 Avenue of the Americas, New York, New York 10020. Piper has acted as special counsel to and rendered professional services on behalf of the debtors and debtors in possession herein (the "Debtors") in the above-referenced case.

2. This affidavit is submitted pursuant to Bankruptcy Rule 2016 in connection with Piper's application (the "Application") for a first allowance of compensation for services rendered to the Debtors for the period from September 2, 2003 through October 31, 2003 in the amount of \$30,311.55, and approval of reimbursement of expenses incurred in connection therewith in the sum of \$211.08.

3. All of the services for which compensation is sought by Piper were performed for and on behalf of the Debtors and not on behalf of any other person.

4. No agreement or understanding exists between Piper and any other entity for the sharing of compensation received or to be received for services rendered in or in connection with this case.

/s/ Timothy W. Walsh  
TIMOTHY W. WALSH

Sworn to before me this  
24<sup>th</sup> day of March, 2004

/s/ William Coleman  
Notary Public