

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

\_\_\_\_\_) )  
**In re:** ) **Chapter 11**  
) )  
**ALLEGIANCE TELECOM, INC., et al.** ) **Case No. 03-13057 (RDD)**  
) **Debtors.** )  
) )  
\_\_\_\_\_) **(Jointly Administered)**  
) )

**SUPPLEMENTAL AFFIDAVIT OF CHRISTOPHER DI MAURO ON BEHALF OF  
HOULIHAN LOKEY HOWARD & ZUKIN CAPITAL, AS FINANCIAL ADVISORS  
TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

STATE OF CALIFORNIA )  
) ) **SS**  
COUNTY OF LOS ANGELES )

Christopher Di Mauro, being duly sworn, deposes and says:

1. I am a Director of Houlihan Lokey Howard & Zukin Capital ("Houlihan Lokey"), and am duly authorized to execute this Supplemental Affidavit on behalf of Houlihan Lokey. I am familiar with the matters set forth herein, and if called as a witness, I could and would testify thereto. Unless otherwise defined, all capitalized terms used herein have the meanings given to them in the Application of the Official Committee of Unsecured Creditors' Application for an Order Authorizing the Employment of Houlihan Lokey as Financial Advisors (the "Application").

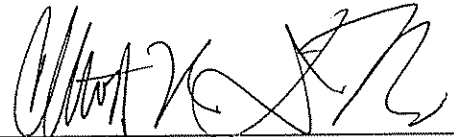
2. As set forth in paragraph 2 of my Affidavit dated July 10, 2003 ("Affidavit") in support of the Application, Houlihan Lokey was retained as the financial advisor to the debtors in the Chapter 11 proceedings of XO Communications, Inc. ("XO").

3. Following completion of its role as financial advisor to XO, Houlihan Lokey filed an application for final allowance of compensation and reimbursement of expenses. XO filed an objection to such application, and the hearing on the application and XO's objection to such application was held on June 13, 2003. The matter is currently pending before the Honorable Judge Gonzalez (Case No.: 02-12947-AJG).

4. As set forth in paragraph 11 of the Affidavit, I agreed to supplement the information contained therein to the extent I discover any facts bearing on the matters described in the Affidavit during the period of Houlihan Lokey's retention.

5. XO was recently selected as the winning bidder to purchase substantially all of the assets of the Debtors. Houlihan Lokey does not believe that the pending fee dispute with XO creates any materially adverse interest to the Debtors' estates or the creditors in this case. Nevertheless, in an abundance of caution, Houlihan Lokey has submitted this Supplemental Affidavit to inform the Court, the Office of the United States Trustee, the Debtors and the creditors in this case of the matters set forth herein.

Dated: February 25, 2004



Christopher Di Mauro

Sworn to and subscribed to before me on this 25<sup>th</sup> day of February 2004.



Notary Public

My Commission Expires:

