

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

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In re : **Chapter 11**
 :
Allegiance Telecom, Inc., et al., :
 :
 : **Case No. 03-13057 (RDD)**
Debtors. :
 : **(Jointly Administered)**
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**NOTICE OF NON-VOTING STATUS WITH RESPECT TO
IMPAIRED CLASSES 6 AND 7 DEEMED TO REJECT THE DEBTORS' JOINT PLAN
OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

PLEASE TAKE NOTICE that on _____, 2004, the United States Bankruptcy Court for the Southern District of New York (the "Court") approved the Disclosure Statement for Debtors' Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (the "Plan") for use by the above-captioned debtors and debtors in possession (collectively, the "Debtors") in soliciting acceptances or rejections of the Plan from holders of certain impaired claims or interests who are entitled to vote to accept to reject the Plan and who are (or may be) entitled to receive distributions under the Plan.

UNDER THE TERMS OF THE PLAN, YOUR CLAIM(S) AGAINST OR INTERESTS IN THE DEBTORS DO NOT ENTITLE YOU TO RECEIVE OR RETAIN ANY PROPERTY UNDER THE PLAN ON ACCOUNT OF SUCH CLAIM(S) OR INTERESTS AND, THEREFORE, PURSUANT TO SECTION 1126(g) OF THE BANKRUPTCY CODE, YOU ARE (i) DEEMED TO HAVE REJECTED THE PLAN AND (ii) NOT ENTITLED TO VOTE ON THE PLAN. ACCORDINGLY, THE ENCLOSED DOCUMENTS ARE PROVIDED FOR INFORMATIONAL PURPOSES ONLY. IF YOU HAVE ANY QUESTIONS ABOUT THE STATUS OF YOUR CLAIM(S) OR INTERESTS OR WOULD LIKE TO REQUEST A COPY OF THE PLAN OR DISCLOSURE STATEMENT, YOU SHOULD CONTACT THE DEBTORS' VOTING AGENT, BANKRUPTCY MANAGEMENT CORPORATION, AT 1330 E. FRANKLIN AVENUE, EL SEQUENDO, CALIFORNIA 90245, OR AT 1-888-909-0100. COPIES OF THE PLAN, THE DISCLOSURE STATEMENT AND THE RELATED SOLICITATION MATERIALS WILL ALSO BE AVAILABLE ON THE WEBSITE OF THE VOTING AGENT, AT WWW.BMCCORP.NET/ALLEGIANCE.

Notwithstanding this Notice of Non-Voting Status, if you believe that you may have a claim against or an interest in the Debtors that has been misclassified and which entitles you to vote on the Plan, then you should (i) file with the Court and serve on counsel to the Debtors, on or before the tenth (10th) day after service of the notice to consider confirmation of the Plan, a motion for an order pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure temporarily allowing such claim in a different class for purposes of voting to accept or reject the Plan and (ii) request a ballot from the Debtors' voting agent at the address or telephone number set forth above or obtain such ballot from the website set forth above.

Dated: New York, New York
_____, 2004

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Attorneys for the Debtors and Debtors in Possession