

KIRKLAND & ELLIS LLP
Citigroup Center
153 East 53rd Street
New York, New York 10022-4675
Telephone: (212) 446-4800
Facsimile: (212) 446-4900
Matthew A. Cantor (MC-7727)
Jonathan S. Henes (JH-1979)
Attorneys for Debtors and Debtors in Possession

HEARING DATE AND TIME: April 20, 2004 @ 10:00 a.m.
OBJECTION DEADLINE: April 15, 2004 @ 4:00 p.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**NOTICE OF HEARING ON MOTION OF THE
DEBTORS FOR AN ORDER (A) PURSUANT TO RULE 9019
OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE, APPROVING
THAT CERTAIN SETTLEMENT AGREEMENT, DATED AS OF MARCH 16, 2004,
WITH NORTEL NETWORKS, INC. AND (B) PURSUANT TO SECTION 365 OF THE
BANKRUPTCY CODE, APPROVING AND AUTHORIZING THE ASSUMPTION OF
AN EXECUTORY CONTRACT, AS AMENDED, WITH NORTEL NETWORKS, INC.**

PLEASE TAKE NOTICE that upon the annexed motion, dated December 12, 2003 (the "Motion"), of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, including Shared Technologies Allegiance, Inc., as debtors and debtors in possession (collectively, the "Debtors"), seeking entry of an order (a) pursuant to rule 9019 of the Federal Rules of Bankruptcy Procedure, approving that certain Settlement Agreement, dated as of March 16, 2004, with Nortel Networks, Inc. and (B) pursuant to section 365 of title 11 of the United States Code (the "Bankruptcy Code"), approving and authorizing the assumption of an executory

contract, as amended, with Nortel Networks, Inc., as more fully set forth in the Motion, 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 April 20, 2004, 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 Motion 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. Jonathan S. Henes, 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, NY 10022 (Attn. Ira S. Dizengoff, Esq.) and (e)

Nortel Networks Inc., 4010 E. Chapel Hill Nelson Highway, Research Triangle Park, North Carolina 27709 (Attn: Cynthia C. Hemme, Esq.), so as to be actually received no later than April 15, 2004, at 4:00 p.m., prevailing Eastern Time.

Dated: New York, New York
March 26, 2004

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