

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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

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**ORDER AUTHORIZING THE EMPLOYMENT AND  
RETENTION OF TOGUT, SEGAL & SEGAL LLP AS  
ATTORNEYS FOR THE DEBTORS AND DEBTORS IN POSSESSION**

Upon the application (the "Application"), dated May 14, 2003, of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"), seeking entry of an order (the "Order"), pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the "Bankruptcy Code"), authorizing the Debtors to employ and retain the law firm of Togut, Segal & Segal LLP ("TS&S") as their attorneys under a general retainer, all as more fully set forth in the Application; and upon the affidavit of Albert Togut, the senior member of TS&S, sworn to on May 14, 2003 (the "Togut Affidavit"), which is annexed to the Application; and the Court being satisfied, based on the representations made in the Application and the Togut Affidavit, that TS&S does not hold or represent any interest adverse to the Debtors or their estates and is "disinterested", as that term is defined in section 101(14) the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code and that their employment is necessary and would be in the best

interests of the Debtors and their estates; and sufficient notice of the Application having been given; and this Court having jurisdiction to consider and determine the Application as a core proceeding pursuant to 28 U.S.C. §§ 157 and 1334; and after due deliberation and sufficient cause appearing therefor, it is hereby

**ORDERED** that the Application is granted on an interim basis; and it is further

**ORDERED** that, pursuant to section 327(a) and 328(a) of the Bankruptcy Code, the Debtors are authorized to employ and retain TS&S as their attorneys under a general retainer on the terms set forth in the Application and the Togut Affidavit, effective as of the Commencement Date; and it is further

**ORDERED** that TS&S shall apply for compensation and reimbursement in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, applicable Federal Rules of Bankruptcy Procedure, Local Bankruptcy Rules for the Southern District of New York (the "Local Rules"), guidelines established by the United States Trustee, and such other procedures as may be fixed by this Court; and it is further

**ORDERED** that the Debtors shall serve a copy of the Application and this Order upon their 40 largest creditors within two (2) business days from the date hereof; and it is further

**ORDERED** that any objection to the relief requested by the Application on a permanent basis must be filed with the Court, One Bowling Green, New York, New York 10004-1408, by no later than May \_\_\_\_, 2003 at 4:00 p.m. and served upon: (i)

United States Trustee, 33 Whitehall Street, 21<sup>st</sup> Floor, New York, New York 10004, Attention: Carolyn Schwartz, Esq.; (ii) Togut, Segal & Segal LLP, One Penn Plaza, New York, New York 10119, Attn: Albert Togut, Esq. and Neil Berger, Esq.; and (iii) Kirkland & Ellis, co-counsel for the Debtors, Citigroup Center, 153 East 53<sup>rd</sup> Street, New York, New York 10022-4611, Attention: Jonathan S. Henes, Esq., so as to be actually received by them by such filing deadline; and it is further

**ORDERED** that any objection(s), if any, to the proposed retention of TS&S must be filed with the Court in accordance with General Order of the United States Bankruptcy Court for the Southern District of New York M-242, which order can be found at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov); and it is further

**ORDERED** that if timely objection(s) are received, there shall be a hearing held on May \_\_\_\_, 2003 at \_\_:\_\_ a.m. to consider such timely objections to the proposed retention herein; and it is further

**ORDERED** that if no objections to the retention of TS&S are timely filed, served and received in accordance with this Order, this Order shall be deemed a Final Order without further notice or hearing, the Application shall be granted in its entirety, and the retention of TS&S shall be made effective nunc pro tunc to the date of the commencement of these chapter 11 cases; and it is further

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

Dated: New York, New York

New York, New York  
\_\_\_\_\_, 2003

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UNITED STATES BANKRUPTCY JUDGE