

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

HEARING DATE: April 20, 2004  
HEARING TIME: 10:00 A.M.

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ALLEGIANCE TELECOM, INC., *et al.*, : Case No. 03-13057 (RDD)  
: :  
Debtors. : Chapter 11  
: :  
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**STATEMENT OF THE UNITED STATES TRUSTEE  
TO FIRST APPLICATION OF PIPER RUDNICK LLP FOR  
INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES**

**TO THE HONORABLE ROBERT D. DRAIN, BANKRUPTCY JUDGE:**

The United States Trustee for the Southern District of New York (the “United States Trustee”) has reviewed the following application seeking an interim award of compensation and reimbursement of expenses and respectfully files this objection to such application.

| <b>APPLICANT</b>                               | <b>PERIOD</b>    | <b>FEES</b> | <b>EXPENSES</b> | <b>TIME</b> |
|------------------------------------------------|------------------|-------------|-----------------|-------------|
| Piper Rudnick LLP, Special Counsel for Debtors | 9/02/03-10/31/03 | \$30,311.55 | \$211.08        | 115.5       |

1. On May 14, 2003, Allegiance Telecom, Inc., and certain of its subsidiaries and affiliate, (collectively the “Debtors”), filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

2. Pursuant to an order of this Court dated June 13, 2003, the Debtors were authorized to retain Piper Rudnick LLP as an ordinary course professional and compensate such party up to \$30,000 per month, with an application for compensation to be filed for any amounts exceeding \$30,000 per month.

3. The fees for services rendered by Piper Rudnick LLP in September 2003 exceeded

\$30,000 by \$18,051.30 and had excess fees of \$211.08; Piper Rudnick had excess fees for October of \$12,260.25.

4. The United States Trustee has reviewed the fee application and has no objection to the fees and expenses sought therein.

Wherefore, the United States Trustee respectfully requests that this Court sustain the objection set forth herein and grant such other and further relief as it deems just and proper.

Dated: New York, New York  
April 19, 2004

Respectfully submitted,

DEIRDRE A. MARTINI  
UNITED STATES TRUSTEE

By: /s/Pamela J. Lustrin  
Pamela J. Lustrin (PJL 5890)

33 Whitehall Street, 21<sup>st</sup> Floor  
New York, New York 10004  
Tel. No. (212) 510-0500  
Fax No. (212)668-2255