

EXHIBIT D-4
Allegiance Telecom, Inc., et al.
Quarterly Review
October 1, 2003 through February 29, 2004

Name	Date	Description	Hours	Rate	Amount
Garner, Jim	10/16/03	Examine End User AR Aging - reconcile aging to subledgers and obtain an understanding of significant reconciling items	2.7	\$ 300	\$ 810
Garner, Jim	10/16/03	Meet with T. Smith, S. Simmons, and H. Lucas (all Allegiance) to discuss aging, reconciling items, and change in aging.	1.1	\$ 300	\$ 330
Garner, Jim	10/16/03	Obtain an understanding (and document understanding) of the change in end user aging (i.e. increase or decrease in over 90 buckets, trends in other buckets).	3.1	\$ 300	\$ 930
Garner, Jim	10/16/03	Review end user allowance for doubtful account activity. Obtain an understanding of significant changes in accounts.	2.1	\$ 300	\$ 630
Garner, Jim	10/16/03	Document fluctuations in end user revenue (Q2'03 vs. Q3'03)	1.3	\$ 300	\$ 390
Garner, Jim	10/16/03	Document fluctuations in end user revenue (Q3'02 vs. Q3'03)	0.6	\$ 300	\$ 180
Garner, Jim	10/16/03	Document fluctuations in end user revenue (Q3'02 YTD vs. Q3'03 YTD)	1.6	\$ 300	\$ 480
Burke, Jennifer	10/17/03	Meet with J. Garner (KPMG) to discuss end user revenue.	0.3	\$ 425	\$ 128
Burke, Jennifer	10/17/03	Meet with C. Kornegay (Allegiance) to discuss potential.	0.2	\$ 425	\$ 85
Garner, Jim	10/17/03	Meet with J. Burke (KPMG) to discuss end user revenue.	0.3	\$ 300	\$ 90
Garner, Jim	10/17/03	Examine CABS AR Aging - reconcile aging to subledger and obtain an understanding of significant reconciling items.	0.4	\$ 300	\$ 120
Garner, Jim	10/17/03	Review CABS allowance for doubtful account activity. Obtain an understanding of significant changes in accounts.	0.4	\$ 300	\$ 120
Garner, Jim	10/17/03	Obtain an understanding (and document understanding) of the CABS Revenue reserve account).	1.7	\$ 300	\$ 510
Garner, Jim	10/17/03	Meet with J. Russel (Allegiance) to discuss CABS Revenue Reserve and bad debt expense account fluctuations.	0.7	\$ 300	\$ 210
Garner, Jim	10/17/03	Review changes in the CABS bad debt reserve accounts. Document significant fluctuations.	1.4	\$ 300	\$ 420
Garner, Jim	10/17/03	Assess the collectability of CABS AR balances over 90 days old.	1.8	\$ 300	\$ 540
Garner, Jim	10/17/03	Meet with J. Russel (Allegiance) to discuss CABS Revenue fluctuations.	0.8	\$ 300	\$ 240
Garner, Jim	10/18/03	Document fluctuations in end user revenue (Q2'03 vs. Q3'03).	0.6	\$ 300	\$ 180
Garner, Jim	10/18/03	Document fluctuations in end user revenue (Q3'02 vs. Q3'03).	0.3	\$ 300	\$ 90

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Garner, Jim	10/18/03	Document fluctuations in end user revenue (Q3'02 YTD vs. Q3'03 YTD).	0.6	\$ 300	\$ 180
Garner, Jim	10/19/03	Document fluctuations in CABS revenue (Q2'03 vs. Q3'03).	0.8	\$ 300	\$ 240
Garner, Jim	10/19/03	Document fluctuations in CABS revenue (Q3'02 vs. Q3'03).	0.6	\$ 300	\$ 180
Garner, Jim	10/19/03	Document fluctuations in CABS revenue (Q3'02 YTD vs. Q3'03 YTD).	1.1	\$ 300	\$ 330
Burke, Jennifer	10/20/03	Prepare debt work-papers.	0.7	\$ 425	\$ 298
Burke, Jennifer	10/20/03	Review lead schedules at high level to determine items to focus on in quarterly review.	0.6	\$ 425	\$ 255
Burke, Jennifer	10/20/03	Review end user A/R.	2.4	\$ 425	\$ 1,020
Burke, Jennifer	10/20/03	Inspect A/P and accrued lead sheets and variance explanations and e-mail questions to client based on inspection.	3.6	\$ 425	\$ 1,530
Burke, Jennifer	10/20/03	Discuss A/P and accrued questions and status of review with M. Colbert (Allegiance).	0.2	\$ 425	\$ 85
Stockton, David	10/20/03	Inspect bank reconciliations and bank statement, complied Flux analysis.	1.1	\$ 200	\$ 220
Stockton, David	10/20/03	Print and inspect Lead Sheets from JDE.	0.5	\$ 200	\$ 100
Stockton, David	10/20/03	Foot, cross foot, and document the Cash lead sheet.	0.4	\$ 200	\$ 80
Stockton, David	10/20/03	Discuss with M. Colbert (Allegiance) the closing of Morgan Stanley cash accounts.	0.2	\$ 200	\$ 40
Stockton, David	10/20/03	Tie out, foot, cross foot Other Assets lead sheet.	0.4	\$ 200	\$ 80
Stockton, David	10/20/03	Discuss with M. Colbert (Allegiance) about the Prepaid and Other asset account.	0.3	\$ 200	\$ 60
Stockton, David	10/20/03	Document above conversation on the work-papers.	0.7	\$ 200	\$ 140
Stockton, David	10/20/03	Document details of reorganization expenditures.	1.4	\$ 200	\$ 280
Stockton, David	10/20/03	Tied out, foot, cross foot prepaids lead sheet.	0.5	\$ 200	\$ 100
Stockton, David	10/20/03	Discuss with M. Colbert (Allegiance) about Other Assets.	0.3	\$ 200	\$ 60
Stockton, David	10/20/03	Document above conversation on the Work-papers.	1.3	\$ 200	\$ 260
Stockton, David	10/20/03	Perform procedures on Fixed Asset.	1.0	\$ 200	\$ 200
Burke, Jennifer	10/21/03	Review end user revenue.	1.8	\$ 425	\$ 765
Burke, Jennifer	10/21/03	Review end user revenue.	1.4	\$ 425	\$ 595
Burke, Jennifer	10/21/03	Review CABS AR.	1.2	\$ 425	\$ 510
Burke, Jennifer	10/21/03	Review DSO and AR/Revenue analyticals.	1.0	\$ 425	\$ 425
Garner, Jim	10/21/03	Review End User DSO calculation.	0.7	\$ 300	\$ 210
Garner, Jim	10/21/03	Review CABS DSO calculation.	0.5	\$ 300	\$ 150
Garner, Jim	10/21/03	Examine CABS AR Aging - reconcile aging to subledger and obtain an understanding of significant reconciling items.	1.6	\$ 300	\$ 480
Garner, Jim	10/21/03	Review CABS allowance for doubtful account activity. Obtain an understanding of significant changes in accounts.	1.7	\$ 300	\$ 510
Garner, Jim	10/21/03	Obtain an understanding (and document understanding) of the CABS Revenue reserve account).	1.3	\$ 300	\$ 390

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Name	Date	Description	Hours	Rate	Amount
Garner, Jim	10/21/03	Assess collectability of CABS AR balances over 90 days old.	0.9	\$ 300	\$ 270
Garner, Jim	10/21/03	Document fluctuations in end user revenue (Q2'03 vs. Q3'03).	0.8	\$ 300	\$ 240
Garner, Jim	10/21/03	Document fluctuations in end user revenue (Q3'02 vs. Q3'03).	0.9	\$ 300	\$ 270
Garner, Jim	10/21/03	Document fluctuations in end user revenue (Q3'02 YTD vs. Q3'03 YTD).	1.1	\$ 300	\$ 330
Rossel, Jeremy	10/21/03	Review client provided schedules related to the network accrual. Developed question list for discussion with J. Pendleton (Allegiance).	1.6	\$ 400	\$ 640
Stockton, David	10/21/03	Perform procedures on Fixed Assets.	3.5	\$ 200	\$ 700
Stockton, David	10/21/03	Tied out, foot, cross foot Equity lead sheet.	0.7	\$ 200	\$ 140
Stockton, David	10/21/03	Roll forward Equity work-papers from PQ.	0.4	\$ 200	\$ 80
Stockton, David	10/21/03	Perform procedures on Equity.	1.7	\$ 200	\$ 340
Stockton, David	10/21/03	Perform procedures on Prepays.	1.3	\$ 200	\$ 260
Stockton, David	10/21/03	Perform procedures on Other Assets.	1.4	\$ 200	\$ 280
Borowick, Jerry	10/22/03	Discuss bankruptcy accounting issues with J. Burke (KPMG).	0.2	\$ 600	\$ 120
Burke, Jennifer	10/22/03	Discuss bankruptcy accounting issues with J. Borowick (KPMG).	0.2	\$ 425	\$ 85
Burke, Jennifer	10/22/03	Review rollforward of liabilities subject to compromise and provide questions to client.	1.6	\$ 425	\$ 680
Douglas, Steven	10/22/03	Review quarterly review work-papers and write review notes.	2.0	\$ 600	\$ 1,200
Garner, Jim	10/22/03	Document fluctuations in end user revenue (Q2'03 vs. Q3'03).	0.3	\$ 300	\$ 90
Garner, Jim	10/22/03	Document fluctuations in end user revenue (Q3'02 vs. Q3'03).	0.2	\$ 300	\$ 60
Garner, Jim	10/22/03	Document fluctuations in end user revenue (Q3'02 YTD vs. Q3'03 YTD).	0.4	\$ 300	\$ 120
Garner, Jim	10/22/03	Document fluctuations in CABS revenue (Q2'03 vs. Q3'03).	0.5	\$ 300	\$ 150
Garner, Jim	10/22/03	Document fluctuations in CABS revenue (Q3'02 vs. Q3'03).	0.4	\$ 300	\$ 120
Garner, Jim	10/22/03	Document fluctuations in CABS revenue (Q3'02 YTD vs. Q3'03 YTD).	0.2	\$ 300	\$ 60
Rossel, Jeremy	10/22/03	Discuss network accrual calculations with J. Pendleton (Allegiance).	1.2	\$ 400	\$ 480
Rossel, Jeremy	10/22/03	Document results of discussion with J. Pendleton (Allegiance) and complete network accrual documentation.	3.4	\$ 400	\$ 1,360
Stockton, David	10/22/03	Perform Procedures on Equity.	1.5	\$ 200	\$ 300
Stockton, David	10/22/03	Clear Manager notes.	3.1	\$ 200	\$ 620
Stockton, David	10/22/03	Inspect at CIP aging as prepared by J. Olgesky (Allegiance).	1.0	\$ 200	\$ 200
Stockton, David	10/22/03	Discuss CIP with J. Olgesky (Allegiance).	0.3	\$ 200	\$ 60
Stockton, David	10/22/03	Inspect Fixed Asset reconciliation.	1.2	\$ 200	\$ 240

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Stockton, David	10/22/03	Discuss Fixed asset flux with J. Olgesky (Allegiance).	0.6	\$ 200	\$ 120
Stockton, David	10/22/03	Document CIP and Fixed Asset reconciliation conversations in work papers.	1.3	\$ 200	\$ 260
Burke, Jennifer	10/23/03	Discuss bankruptcy accounting issues with G. McClanahan (KPMG).	0.2	\$ 425	\$ 85
Burke, Jennifer	10/23/03	Review revenue work-papers.	0.9	\$ 425	\$ 383
Burke, Jennifer	10/23/03	Pull certain bankruptcy filings down on line.	0.2	\$ 425	\$ 85
Burke, Jennifer	10/23/03	Clear receivable review notes.	0.8	\$ 425	\$ 340
Burke, Jennifer	10/23/03	Review PP&E.	2.7	\$ 425	\$ 1,148
Burke, Jennifer	10/23/03	Review cash.	0.4	\$ 425	\$ 170
Burke, Jennifer	10/23/03	Review AP pre and post petition reconciliations.	0.2	\$ 425	\$ 85
Burke, Jennifer	10/23/03	Document responses from M. Colbert (Allegiance) regarding accounts payable and liabilities.	2.0	\$ 425	\$ 850
Burke, Jennifer	10/23/03	Inspect Greenbelt and NCX lease agreements and obtain understanding of Company's accounting.	0.6	\$ 425	\$ 255
Garner, Jim	10/23/03	Document fluctuations in end user revenue (Q2'03 vs. Q3'03).	0.2	\$ 300	\$ 60
Garner, Jim	10/23/03	Document fluctuations in end user revenue (Q3'02 vs. Q3'03).	0.1	\$ 300	\$ 30
Garner, Jim	10/23/03	Document fluctuations in end user revenue (Q3'02 YTD vs. Q3'03 YTD).	0.3	\$ 300	\$ 90
Garner, Jim	10/23/03	Document fluctuations in CABS revenue (Q2'03 vs. Q3'03).	0.4	\$ 300	\$ 120
Garner, Jim	10/23/03	Document fluctuations in CABS revenue (Q3'02 vs. Q3'03).	0.2	\$ 300	\$ 60
Garner, Jim	10/23/03	Document fluctuations in CABS revenue (Q3'02 YTD vs. Q3'03 YTD).	0.3	\$ 300	\$ 90
McClanahan, Geof	10/23/03	Discuss bankruptcy accounting issues with J. Burke (KPMG).	0.2	\$ 550	\$ 110
McClanahan, Geof	10/23/03	Review bankruptcy motions for accounting implications as part of Q3 review.	0.8	\$ 550	\$ 440
Stockton, David	10/23/03	Work on final analytic Balance sheet.	2.0	\$ 200	\$ 400
Burke, Jennifer	10/24/03	Review transaction and rollforward from 6/30/03 and write WorldCom and Verizon settlement agreement memo.	1.2	\$ 425	\$ 510
Burke, Jennifer	10/24/03	Review cash flow projections and develop comparison between 6/30/03 and 9/30/03 models.	0.7	\$ 425	\$ 298
Burke, Jennifer	10/24/03	Review prepaids and other assets.	1.1	\$ 425	\$ 468
Burke, Jennifer	10/24/03	Review and write notes on depreciation reasonableness test.	0.2	\$ 425	\$ 85
Burke, Jennifer	10/24/03	Discuss Shared Tech depreciation catch-up with J. Oglenski (Allegiance) and inspect journal entry files.	0.5	\$ 425	\$ 213
Burke, Jennifer	10/24/03	Discuss follow-ups to accruals and status of review items with M. Colbert (Allegiance).	0.6	\$ 425	\$ 255
Burke, Jennifer	10/24/03	Review manual journal entries.	0.9	\$ 425	\$ 383
Burke, Jennifer	10/24/03	Write Shared Tech depreciation memo.	1.3	\$ 425	\$ 553
Davison, Glen	10/24/03	Discuss SFAS 144 with J. Burke (KPMG).	0.3	\$ 600	\$ 180
Stockton, David	10/24/03	Complete Depreciation reasonableness Test.	1.0	\$ 200	\$ 200

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Burke, Jennifer	10/27/03	Clear review notes.	1.2	\$ 425	\$ 510
Burke, Jennifer	10/27/03	Discuss legal accrual with C. Kornegay and M. Colbert (both Allegiance).	0.1	\$ 425	\$ 43
Burke, Jennifer	10/27/03	Review DPP inquiries for bankruptcy accounting and determine application to Allegiance.	1.1	\$ 425	\$ 468
Burke, Jennifer	10/27/03	Review bankruptcy accounting issues memo for telecom industry and determine application to Allegiance.	1.0	\$ 425	\$ 425
Burke, Jennifer	10/27/03	Clear reorganization expense review notes.	0.1	\$ 425	\$ 43
Burke, Jennifer	10/27/03	Review consolidated balance sheet fluctuations.	1.1	\$ 425	\$ 468
Burke, Jennifer	10/27/03	Review consolidated income statement fluctuations.	1.0	\$ 425	\$ 425
Burke, Jennifer	10/27/03	Review client adjusting entries and reference where addressed in work-papers.	0.7	\$ 425	\$ 298
Burke, Jennifer	10/27/03	Inspect Board of Directors and Committee meeting minutes and reference where in work-papers significant issues were addressed.	1.7	\$ 425	\$ 723
Garner, Jim	10/27/03	Research fluctuations in Accounts Receivable and document causes.	0.7	\$ 300	\$ 210
Garner, Jim	10/27/03	Review changes in CABS revenue reserves, and document fluctuations.	1.3	\$ 300	\$ 390
Garner, Jim	10/27/03	Assess the collectability of CABS AR balances over 90 days old .	0.8	\$ 300	\$ 240
Garner, Jim	10/27/03	Review changes in the CABS bad debt reserve accounts. Document significant fluctuations.	0.6	\$ 300	\$ 180
Garner, Jim	10/27/03	Document fluctuations in CABS revenue (Q2'03 vs. Q3'03).	1.3	\$ 300	\$ 390
Garner, Jim	10/27/03	Document fluctuations in CABS revenue (Q3'02 vs. Q3'03).	1.6	\$ 300	\$ 480
Garner, Jim	10/27/03	Document fluctuations in CABS revenue (Q3'02 YTD vs. Q3'03 YTD).	1.7	\$ 300	\$ 510
McClanahan, Geof	10/27/03	Review bankruptcy motions for accounting implications as part of Q3 review.	1.8	\$ 550	\$ 990
McClanahan, Geof	10/27/03	Review bankruptcy motions for accounting implications as part of Q3 review.	0.7	\$ 550	\$ 385
Borowick, Jerry	10/28/03	Research bankruptcy accounting issues and confirm accounting based on results of 10/28/03.	0.6	\$ 600	\$ 360
Burke, Jennifer	10/28/03	Discuss SFAS 144 and other significant quarterly events with G. Davison and S. Douglas (both KPMG).	0.8	\$ 425	\$ 340
Burke, Jennifer	10/28/03	Discuss bankruptcy accounting issues with S Douglas (KPMG).	1.4	\$ 425	\$ 595
Burke, Jennifer	10/28/03	Prepare audit committee agenda.	0.4	\$ 425	\$ 170
Burke, Jennifer	10/28/03	Discuss SFAS 144 with C. Kornegay (Allegiance) e-mail appropriate accounting literature and KPMG's initial position on SFAS 144 to C. Kornegay (Allegiance).	0.5	\$ 425	\$ 213
Burke, Jennifer	10/28/03	Discuss SFAS 144 with C. Kornegay and C. Meyers (both Allegiance).	0.3	\$ 425	\$ 128

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Name	Date	Description	Hours	Rate	Amount
Burke, Jennifer	10/28/03	Prepare review differences.	0.3	\$ 425	\$ 128
Burke, Jennifer	10/28/03	Discuss review differences with M. Colbert (Allegiance).	0.1	\$ 425	\$ 43
Burke, Jennifer	10/28/03	Discuss review differences with C. Kornegay (Allegiance).	0.1	\$ 425	\$ 43
Burke, Jennifer	10/28/03	Write memo on rejected leases.	0.8	\$ 425	\$ 340
Burke, Jennifer	10/28/03	Write Significant Issues and Decisions document.	3.3	\$ 425	\$ 1,403
Burke, Jennifer	10/28/03	Review revised depreciation reasonableness.	0.1	\$ 425	\$ 43
Davison, Glen	10/28/03	Discuss SFAS 144 and other significant quarterly events with J Burke and S Douglas (all KPMG).	0.8	\$ 600	\$ 480
Douglas, Steven	10/28/03	Discuss SFAS 144 and other significant quarterly events with G. Davison and J. Burke (all KPMG).	0.8	\$ 600	\$ 480
Douglas, Steven	10/28/03	Discuss bankruptcy accounting issues with J. Burke (all KPMG).	1.4	\$ 600	\$ 840
Douglas, Steven	10/28/03	Review quarterly review work-papers and write review notes.	3.8	\$ 600	\$ 2,280
Garner, Jim	10/28/03	Review interest expense and test for reasonableness.	0.8	\$ 300	\$ 240
Garner, Jim	10/28/03	Research gross margin fluctuation from Q2 to Q3 and document significant causes.	0.9	\$ 300	\$ 270
Garner, Jim	10/28/03	Research fluctuations in Accounts Receivable and document causes.	0.4	\$ 300	\$ 120
Garner, Jim	10/28/03	Compare CABS Accounts Receivable Aging to related reserves.	0.4	\$ 300	\$ 120
Garner, Jim	10/28/03	Meet with J. Russel (Allegiance) to discuss CABS reserve activity.	0.3	\$ 300	\$ 90
Garner, Jim	10/28/03	Meet with T. Smith (Allegiance) to discuss End User Revenue.	0.3	\$ 300	\$ 90
Garner, Jim	10/28/03	Review changes in CABS revenue reserves, and document fluctuations.	1.4	\$ 300	\$ 420
Garner, Jim	10/28/03	Assess the collectability of CABS AR balances over 90 days old.	1.3	\$ 300	\$ 390
Garner, Jim	10/28/03	Review changes in the CABS bad debt reserve accounts. Document significant fluctuations.	1.4	\$ 300	\$ 420
Garner, Jim	10/28/03	Meet with R. Olsen (Allegiance) to discuss tax refund from Texas State Comptroller.	0.4	\$ 300	\$ 120
Garner, Jim	10/28/03	Document the background of the tax refund, and document the company's accounting treatment of the transaction.	0.4	\$ 300	\$ 120
Garner, Jim	10/28/03	Meet with J. Olgesky (Allegiance) to discuss Shared Tech depreciation catch-up.	0.1	\$ 300	\$ 30
Garner, Jim	10/28/03	Update audit committee agenda.	0.3	\$ 300	\$ 90
McClanahan, Geof	10/28/03	Review bankruptcy motions related to the Employee Retention Plan payments to determine proper accounting treatment.	0.5	\$ 550	\$ 275
McClanahan, Geof	10/28/03	Review the earnings per share calculations for the quarter and nine months ended September 30, 2003.	0.6	\$ 550	\$ 330
McClanahan, Geof	10/28/03	Review bankruptcy motions related to rejected leases for accounting implications.	1.6	\$ 550	\$ 880

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McClanahan, Geof	10/28/03	Review the Employee Retention Plan payments for accounting treatment under FAS 146.	0.8	\$ 550	\$ 440
McClanahan, Geof	10/28/03	Review adjusting journal entries for forfeited lease deposits.	0.7	\$ 550	\$ 385
McClanahan, Geof	10/28/03	Review Employee Retention Plan agreements.	0.3	\$ 550	\$ 165
Burke, Jennifer	10/29/03	Clear review notes.	1.1	\$ 425	\$ 468
Burke, Jennifer	10/29/03	Review CABS AR balances to CABS reserves and to Open Short Paid Disputes and Actual Accrual balances.	0.2	\$ 425	\$ 85
Burke, Jennifer	10/29/03	Review tax refund analysis prepared by J. Garner (KPMG).	0.3	\$ 425	\$ 128
Burke, Jennifer	10/29/03	Revise memo on rejected leases.	0.2	\$ 425	\$ 85
Burke, Jennifer	10/29/03	Review quarterly review work-papers for pending items.	0.5	\$ 425	\$ 213
Burke, Jennifer	10/29/03	Discuss sales/use tax issue with S. Douglas (KPMG).	0.2	\$ 425	\$ 85
Burke, Jennifer	10/29/03	Meet with R. Olsen (Allegiance) and J. Garner (KPMG) to discuss likelihood of payment on tax claims submitted by states.	0.7	\$ 425	\$ 298
Burke, Jennifer	10/29/03	Update Significant Issues and Decisions Document for discussion in audit committee and discussions related to sales/use tax issue.	0.2	\$ 425	\$ 85
Burke, Jennifer	10/29/03	Prepare e-mail with concurring review packet for concurring partner.	0.1	\$ 425	\$ 43
Burke, Jennifer	10/29/03	Discuss SFAS 144 assumptions with C. Kornegay (Allegiance).	0.3	\$ 425	\$ 128
Burke, Jennifer	10/29/03	Write SFAS 144 memo.	1.5	\$ 425	\$ 638
Burke, Jennifer	10/29/03	Prepare actual to budget analysis of Q303 review.	0.3	\$ 425	\$ 128
Douglas, Steven	10/29/03	Prepare materials for audit committee meeting.	0.8	\$ 600	\$ 480
Douglas, Steven	10/29/03	Discuss sales/use tax issue with J. Burke (KPMG).	0.2	\$ 600	\$ 120
Garner, Jim	10/29/03	Meet with R. Olsen (Allegiance) to discuss likelihood of payment on tax claims submitted by states.	0.4	\$ 300	\$ 120
Garner, Jim	10/29/03	Compare CABS AR balances to CABS reserves and to Open Short Paid Disputes and Actual Accrual balances.	0.9	\$ 300	\$ 270
Garner, Jim	10/29/03	Compile list of Claims and document the Company's assertion of potential payment.	0.9	\$ 300	\$ 270
Garner, Jim	10/29/03	Meet with R. Olsen (Allegiance) and J. Burke (KPMG) to discuss likelihood of payment on tax claims submitted by states.	0.7	\$ 300	\$ 210
Garner, Jim	10/29/03	Document Shared Tech DSO calculation and causes for fluctuation.	0.4	\$ 300	\$ 120
Garner, Jim	10/29/03	Document fluctuations in Shared Tech Revenue.	0.4	\$ 300	\$ 120
Garner, Jim	10/29/03	Document the background of the tax refund, and document the company's accounting treatment of the transaction.	0.3	\$ 300	\$ 90
Garner, Jim	10/29/03	Review components of Other SG&A expenses and document detail of costs.	0.8	\$ 300	\$ 240

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Garner, Jim	10/29/03	Update significant issues and disclosures surrounding revenue.	0.8	\$ 300	\$ 240
Garner, Jim	10/29/03	Update significant issues and disclosures surrounding accounts receivable and bad debt expense.	0.9	\$ 300	\$ 270
Garner, Jim	10/29/03	Update significant issues and disclosures surrounding the network accrual.	0.7	\$ 300	\$ 210
Garner, Jim	10/29/03	Review expense fluctuations and document causes for activity.	0.8	\$ 300	\$ 240
Burke, Jennifer	10/30/03	Discuss review differences, new items in Significant Issues and Decisions Document, and audit committee meeting with G. Davison (KPMG).	0.4	\$ 425	\$ 170
Davison, Glen	10/30/03	Discuss review differences, new items in Significant Issues and Decisions Document, and audit committee meeting with J Burke (KPMG).	0.4	\$ 600	\$ 240
Burke, Jennifer	10/31/03	Review client prepared tax liability schedule and respond via e-mail with initial thoughts.	0.8	\$ 425	\$ 340
Burke, Jennifer	10/31/03	Discuss audit committee call, special investigative committee, Parella loan, and review differences with M. Tresnowski (Allegiance).	0.2	\$ 425	\$ 85
Burke, Jennifer	10/31/03	Debrief S. Douglas (KPMG) on call with M. Tresnowski (Allegiance) and discuss sales/use tax issue.	0.2	\$ 425	\$ 85
Davison, Glen	10/31/03	Review Significant Issues and Decisions Document and Review Differences.	0.5	\$ 600	\$ 300
Douglas, Steven	10/31/03	Review work papers and literature related to sales/use tax	1.8	\$ 600	\$ 1,080
Douglas, Steven	10/31/03	Debrief with J. Burke (KPMG) on call with M. Tresnowski (Allegiance) and discuss sales/use tax issue.	0.2	\$ 600	\$ 120
Garner, Jim	10/27/03	Research fluctuations in accounts receivable and document causes.	0.7	\$ 300	\$ 210
Garner, Jim	10/27/03	Review changes in CABS revenue reserves, and document fluctuations.	1.3	\$ 300	\$ 390
Garner, Jim	10/27/03	Assess the collectability of CABS AR balances over 90 days old.	0.8	\$ 300	\$ 240
Garner, Jim	10/27/03	Review changes in the CABS bad debt reserve accounts. Document significant fluctuations.	0.6	\$ 300	\$ 180
Garner, Jim	10/27/03	Document fluctuations in CABS revenue (Q2'03 vs. Q3'03).	1.3	\$ 300	\$ 390
Garner, Jim	10/27/03	Document fluctuations in CABS revenue (Q3'02 vs. Q3'03).	1.6	\$ 300	\$ 480
Garner, Jim	10/27/03	Document fluctuations in CABS revenue (Q3'02 YTD vs. Q3'03 YTD).	1.7	\$ 300	\$ 510
Garner, Jim	10/28/03	Review interest expense and test for reasonableness.	0.8	\$ 300	\$ 240
Garner, Jim	10/28/03	Research gross margin fluctuation from Q2 to Q3 and document significant causes.	0.9	\$ 300	\$ 270

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Name	Date	Description	Hours	Rate	Amount
Garner, Jim	10/28/03	Research fluctuations in Accounts Receivable and document causes.	0.4	\$ 300	\$ 120
Garner, Jim	10/28/03	Compare CABS Accounts Receivable Aging to related reserves.	0.4	\$ 300	\$ 120
Garner, Jim	10/28/03	Meet with J. Russel (Allegiance) to discuss CABS reserve activity.	0.3	\$ 300	\$ 90
Garner, Jim	10/28/03	Meet with T. Smith (Allegiance) to discuss End User Revenue.	0.3	\$ 300	\$ 90
Garner, Jim	10/28/03	Review changes in CABS revenue reserves, and document fluctuations.	1.4	\$ 300	\$ 420
Garner, Jim	10/28/03	Assess the collectability of CABS AR balances over 90 days old.	1.3	\$ 300	\$ 390
Garner, Jim	10/28/03	Review changes in the CABS bad debt reserve accounts. Document significant fluctuations.	1.4	\$ 300	\$ 420
Garner, Jim	10/28/03	Meet with R. Olsen (Allegiance) to discuss tax refund from Texas State Comptroller.	0.4	\$ 300	\$ 120
Garner, Jim	10/28/03	Document the background of the tax refund, and document the company's accounting treatment of the transaction.	0.4	\$ 300	\$ 120
Garner, Jim	10/28/03	Meet with J. Olgesky (Allegiance) to discuss Shared Tech depreciation catch-up.	0.1	\$ 300	\$ 30
Garner, Jim	10/28/03	Update audit committee agenda.	0.3	\$ 300	\$ 90
Garner, Jim	10/29/03	Meet with R. Olsen (Allegiance) to discuss likelihood of payment on tax claims submitted by states.	0.4	\$ 300	\$ 120
Garner, Jim	10/29/03	Compare CABS AR balances to CABS reserves and to Open Short Paid Disputes and Actual Accrual balances.	0.9	\$ 300	\$ 270
Garner, Jim	10/29/03	Compile list of Claims and document the Company's assertion of potential payment.	0.9	\$ 300	\$ 270
Garner, Jim	10/29/03	Meet with R. Olsen (Allegiance) and J. Burke (KPMG) to discuss likelihood of payment on tax claims submitted by states.	0.7	\$ 300	\$ 210
Garner, Jim	10/29/03	Document Shared Tech DSO calculation and causes for fluctuation.	0.4	\$ 300	\$ 120
Garner, Jim	10/29/03	Document fluctuations in Shared Tech Revenue.	0.4	\$ 300	\$ 120
Garner, Jim	10/29/03	Document the background of the tax refund, and document the company's accounting treatment of the transaction.	0.3	\$ 300	\$ 90
Garner, Jim	10/29/03	Review components of Other SG&A expenses and document detail of costs.	0.8	\$ 300	\$ 240
Garner, Jim	10/29/03	Update significant issues and decisions document surrounding revenue, accounts receivable and bad debt expense.	0.9	\$ 300	\$ 270
Garner, Jim	10/29/03	Update significant issues and decisions document surrounding the network accrual.	0.7	\$ 300	\$ 210
Garner, Jim	10/29/03	Review expense fluctuations and document causes for activity.	0.8	\$ 300	\$ 240

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Name	Date	Description	Hours	Rate	Amount
Douglas, Steven	11/03/03	Discuss tax accruals for state tax audits with G. McClanahan (KPMG).	0.8	\$ 600	\$ 480
Garner, Jim	11/03/03	Obtain invoice level of End User AR sample selections.	0.2	\$ 300	\$ 60
Garner, Jim	11/03/03	Verify completeness of listings.	0.5	\$ 300	\$ 150
Garner, Jim	11/03/03	Select invoice level sample of End User.	0.4	\$ 300	\$ 120
Garner, Jim	11/03/03	Document Sample for End User.	0.1	\$ 300	\$ 30
Garner, Jim	11/03/03	Discuss tax accruals for state tax audits with G. McClanahan (KPMG).	0.8	\$ 300	\$ 240
McClanahan, Geof	11/03/03	Discuss tax accruals for state tax audits with J. Garner (KPMG).	0.8	\$ 550	\$ 440
McClanahan, Geof	11/03/03	Discuss tax accruals for state tax audits with S. Douglas (KPMG).	0.8	\$ 550	\$ 440
McClanahan, Geof	11/03/03	Review June 30, 2003 accrued liabilities related to state tax audit accruals.	0.5	\$ 550	\$ 275
Thompson, Cheryl	11/03/03	Review financial statements for 3rd quarter tax provision and request additional information.	0.6	\$ 475	\$ 285
Douglas, Steven	11/04/03	Review sales tax issues for accounting treatment.	1.0	\$ 600	\$ 600
Douglas, Steven	11/04/03	Discuss accrued taxes with G. McClanahan (KPMG).	0.5	\$ 600	\$ 300
McClanahan, Geof	11/04/03	Discuss accrued taxes with S. Douglas (KPMG).	0.5	\$ 550	\$ 275
Garner, Jim	11/06/03	Tie out press release #1.	1.1	\$ 300	\$ 330
McClanahan, Geof	11/06/03	Review sales/use/excise tax refund and accruals for proper accounting treatment.	1.1	\$ 550	\$ 605
Thompson, Cheryl	11/06/03	Evaluate tax reserves, refunds, etc and effects on financial statements.	0.2	\$ 475	\$ 95
Davison, Glen	11/07/03	Review press release and provide comment.	0.5	\$ 600	\$ 300
Douglas, Steven	11/07/03	Review press release and provide comment.	2.2	\$ 600	\$ 1,320
Garner, Jim	11/07/03	Tie out press release draft #2.	0.9	\$ 300	\$ 270
Garner, Jim	11/07/03	Tie out press release draft #3.	0.8	\$ 300	\$ 240
Garner, Jim	11/07/03	Meet with G. McClanahan (KPMG) to discuss press release draft #3.	0.3	\$ 300	\$ 90
Garner, Jim	11/07/03	Tie out press release draft #4.	0.8	\$ 300	\$ 240
Garner, Jim	11/07/03	Tie out press release draft #6.	0.7	\$ 300	\$ 210
Garner, Jim	11/07/03	Meet with G. McClanahan (KPMG) to discuss press release draft #6.	0.4	\$ 300	\$ 120
Garner, Jim	11/07/03	Tie out press release draft #8.	0.9	\$ 300	\$ 270
Garner, Jim	11/07/03	Discuss Genuity revenue fluctuation with M. Colbert (Allegiance).	0.1	\$ 300	\$ 30
Garner, Jim	11/07/03	Review Genuity revenue schedule.	0.3	\$ 300	\$ 90
Garner, Jim	11/07/03	Update Significant Issues and Disclosures Document for additional Genuity information.	0.2	\$ 300	\$ 60
McClanahan, Geof	11/07/03	Review September 30, 2003 press release.	1.6	\$ 550	\$ 880
McClanahan, Geof	11/07/03	Review second draft of September 30, 2003 press release.	0.4	\$ 550	\$ 220
McClanahan, Geof	11/07/03	Discuss third draft of press release with J. Garner (KPMG).	0.3	\$ 550	\$ 165
McClanahan, Geof	11/07/03	Meet with J. Garner (KPMG) to discuss press release draft #6.	0.4	\$ 550	\$ 220

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Name	Date	Description	Hours	Rate	Amount
McClanahan, Geof	11/07/03	Review final draft of September 30, 2003 press release.	0.5	\$ 550	\$ 275
Davison, Glen	11/09/03	Discuss press release and sign-off with S. Douglas (KPMG).	0.2	\$ 600	\$ 120
Douglas, Steven	11/09/03	Discuss press release and sign-off with G. Davison (KPMG).	0.2	\$ 600	\$ 120
Garner, Jim	11/10/03	Tie out final version of press release.	0.3	\$ 300	\$ 90
Garner, Jim	11/10/03	Tie out first draft of 10-Q.	2.6	\$ 300	\$ 780
Stockton, David	11/10/03	Tie out first draft of 10-Q.	2.0	\$ 200	\$ 400
Garner, Jim	11/11/03	Tie out first draft of 10-Q.	0.7	\$ 300	\$ 210
Stockton, David	11/11/03	Tie out first draft of 10-Q.	3.0	\$ 200	\$ 600
McClanahan, Geof	11/12/03	Prepare memo to document the sales/use tax refund and liabilities as of September 30, 2003.	0.7	\$ 550	\$ 385
Burke, Jennifer	11/13/03	Write memo on interest income related to bankruptcy.	0.3	\$ 425	\$ 128
Burke, Jennifer	11/13/03	Ensure review notes previously written were cleared.	4.3	\$ 425	\$ 1,828
Burke, Jennifer	11/13/03	Review 10-Q tie-out work-papers.	3.4	\$ 425	\$ 1,445
Garner, Jim	11/13/03	Tie out second draft of 10-Q.	7.7	\$ 300	\$ 2,310
Stockton, David	11/13/03	Tie out second draft of 10-Q.	10.0	\$ 200	\$ 2,000
Thompson, Cheryl	11/13/03	Review documents and memo for 3rd quarter tax provision.	1.2	\$ 475	\$ 570
Burke, Jennifer	11/14/03	Complete review of support and document fluctuation in account 20013.	0.4	\$ 425	\$ 170
Burke, Jennifer	11/14/03	Review 10-Q.	4.2	\$ 425	\$ 1,785
Burke, Jennifer	11/14/03	Clear tax review questions.	0.4	\$ 425	\$ 170
Burke, Jennifer	11/14/03	Review 10-Q tie-out work-papers.	3.0	\$ 425	\$ 1,275
Davison, Glen	11/14/03	Review 10-Q draft and review differences and provide comments.	4.0	\$ 600	\$ 2,400
Douglas, Steven	11/14/03	Review 10-Q draft.	1.1	\$ 600	\$ 660
Garner, Jim	11/14/03	Tie out second draft of 10-Q.	7.4	\$ 300	\$ 2,220
McClanahan, Geof	11/14/03	Reviewed 10Q draft.	1.1	\$ 550	\$ 605
Thompson, Cheryl	11/14/03	Review significant issues and decisions document.	0.4	\$ 475	\$ 190
Davison, Glen	11/16/03	Discuss 10-Q draft and comments with S. Douglas (KPMG).	0.4	\$ 600	\$ 240
Douglas, Steven	11/16/03	Discuss 10-Q draft and comments with G. Davison (KPMG).	0.4	\$ 600	\$ 240
Douglas, Steven	11/16/03	Review 10-Q and provide suggested changes to company and phone conversations with C. Kornegay (Allegiance).	1.9	\$ 600	\$ 1,140
Garner, Jim	11/17/03	Tie Out 10-Q.	0.4	\$ 300	\$ 120
McClanahan, Geof	11/17/03	Reviewed KPMG concurring reviewer comments on the 10Q draft and sent KPMG comments to the Company.	1.9	\$ 550	\$ 1,045
Davison, Glen	11/18/03	Review updated 10-Q draft and provide comments.	0.9	\$ 600	\$ 540
McClanahan, Geof	11/18/03	Prepare the management representation letter for the 9/30/03 quarter review.	1.1	\$ 550	\$ 605
McClanahan, Geof	11/18/03	Agree KPMG's changes to the latest 10Q draft released on 11/18/03.	1.9	\$ 550	\$ 1,045

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Name	Date	Description	Hours	Rate	Amount
Burke, Jennifer	11/19/03	Review changes to 10-Q and co-ordinate clearance of filing of 10-Q.	2.0	\$ 425	\$ 850
Garner, Jim	11/19/03	Tie out 10-Q.	7.4	\$ 300	\$ 2,220
McClanahan, Geof	11/19/03	Review work-papers that supported disclosures in the 9/30/03 10Q.	0.5	\$ 550	\$ 275
Stockton, David	11/19/03	Tie out final draft to 10-Q.	8.4	\$ 200	\$ 1,680
Rossel, Jeremy	11/21/03	Discuss management representation letter with L. Sutter (Allegiance).	0.1	\$ 400	\$ 40
Quarterly Review Total			<u>302.2</u>		<u>\$ 109,230</u>