

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	
	:	
ALLEGIANCE TELECOM, INC., et al.,	:	Chapter 11 Case No.
	:	03-13057 (RDD)
	:	
Debtors.	:	Jointly Administered

**ORDER PURSUANT TO BANKRUPTCY RULE 3003(c)(3)
FIXING FINAL DATE FOR FILING PROOFS OF CLAIM,
APPROVING PROPOSED PROOF OF CLAIM FORM, APPROVING
PROPOSED BAR DATE NOTICE, AND APPROVING
PROPOSED NOTICE AND PUBLICATION PROCEDURES**

Upon the application dated September 10, 2003 (the "Application") of Allegiance Telecom, Inc., and its direct and indirect subsidiaries, as debtors and debtors in possession (the "Debtors"), for an order, pursuant to Rule 3003(c)(3) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), fixing a final date for filing certain proofs of claim (the "Bar Date"), approving the proposed proof of claim form, approving the proposed bar date notice, and approving the proposed notice and publication procedures, all as more fully set forth in the Application; and it appearing that the Court has jurisdiction over this matter; and it appearing that (i) establishment of a date by which creditors must assert claims against the Debtors or be forever barred from voting on any chapter 11 plan or participating in any distributions from the Debtors' estates in accordance with the authority granted to this Court by title 11 of the United States Code (the "Bankruptcy Code") and the Bankruptcy Rules, is necessary for the prompt and efficient administration of these chapter 11 cases and to protect the interests of the Debtors, their creditors, and other parties in interest, and (ii) notification of the relief granted by this Order in the manner proposed by the Debtors, as set forth herein, is fair and

reasonable and will provide good, sufficient, and proper notice to all creditors of their rights and obligations in connection with claims they may have against the Debtors in these chapter 11 cases; and it further appearing that the relief requested in the Application is in the best interests of the Debtors and their estates and creditors; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Application is granted; and it is further

ORDERED that, pursuant to Bankruptcy Rule 3003(c)(3), and except as otherwise provided herein, each person or entity (including, without limitation, each individual, partnership, joint venture, corporation, estate, trust, and governmental unit) that asserts a claim (as defined in section 101(5) of the Bankruptcy Code) against the Debtors that arose prior to May 14, 2003 (the "Commencement Date"), can only timely file an original, written proof of such claim which substantially conforms to Exhibit "B" annexed to the Application (the "Proof of Claim"), which form is hereby approved, or Official Form No. 10, if it is received on or before November 26, 2003, at 5:00 p.m. (prevailing Eastern Time) (the "Bar Date") by Bankruptcy Management Corporation ("BMC"), either by mailing the original proof of claim to United States Bankruptcy Court, Southern District of New York, Allegiance Claims Docketing Center, Bowling Green Station, P.O. Box 95, New York, New York 10274-0095, or by delivering the original proof of claim by messenger or overnight courier to the United States Bankruptcy Court, Southern District of New York, Allegiance Claims Docketing Center, One Bowling Green, Room 534, New York 10004-1408 (together, the "Allegiance Claims Docketing Center"); and it is further

ORDERED that proofs of claim will be deemed timely filed only if actually received by the Allegiance Claims Docketing Center on or before the Bar Date; and it is further

ORDERED that the Allegiance Claims Docketing Center shall **not** accept proofs of claim sent by facsimile, teletype, or electronic mail transmission; and it is further

ORDERED that the following persons or entities are **not** required to file a proof of claim on or before the Bar Date:

- a. any person or entity that has already properly filed, with the Clerk of the United States Bankruptcy Court for the Southern District of New York, a proof of claim against the applicable Debtor or Debtors, utilizing a claim form which substantially conforms to the Proof of Claim or Official Form No. 10;
- b. any person or entity (i) whose claim is listed on the Debtors' Statements of Financial Affairs, Schedules of Assets and Liabilities and Schedules of Executory Contracts (collectively, the "Schedules"), (ii) whose claim is not described on such Schedules as "disputed," "contingent," or "unliquidated," and (iii) who does not dispute the amount or nature of the claim for such person or entity as set forth in the Schedules;
- c. any person having a claim under sections 503(b) or 507(a) of the Bankruptcy Code as an administrative expense of any of the Debtors' chapter 11 cases;
- d. any person or entity whose claim has been paid in full by any of the Debtors;
- e. any Debtor having a claim against another Debtor;
- f. any person or entity that holds a claim that has been allowed by an order of this Court entered on or before the Bar Date;
- g. any person or entity whose claim is limited exclusively to the repayment of principal, interest, and/or other applicable fees and charges (a "Debt Claim") on or under any bond or note issued by the Debtors (the "Debt Instruments"); *provided, however*, that (i) the foregoing exclusion in this subparagraph shall not apply to the Indenture Trustee under the applicable Debt Instruments (the "Indenture Trustee"), (ii) the Indenture Trustee shall be required to file one proof of claim, on or before the Bar Date, on account of all of the Debt Claims on or under each of the Debt Instruments and (iii) any holder of a Debt Claim wishing to assert a claim, other than a Debt Claim, arising out of or relating to the Debt Instruments shall be required to file a proof of claim on or before

the Bar Date, unless another exception in this paragraph applies;
and

- h. any holder of a claim for which specific deadlines have previously been fixed by this Court;

and it is further

ORDERED that holders of equity security interests in the Debtors need not file proofs of interest with respect to the ownership of such equity interests, **provided, however,** that if any such holder asserts a claim against the Debtors (including a claim relating to an equity interest or the purchase or sale of such equity interest), a proof of such claim must be filed on or prior to the Bar Date pursuant to the procedures set forth in this Order; and it is further

ORDERED that any person or entity that holds a claim that arises from the rejection of an executory contract or unexpired lease as to which the order authorizing such rejection is dated on or before ten (10) days after the date hereof, must file a proof of claim based on such rejection on or before the Bar Date, and any person or entity that holds a claim that arises from the rejection of an executory contract or unexpired lease as to which the order authorizing such rejection is dated after ten (10) days after the date hereof, must file a proof of claim on or before such date as the Court may fix in the applicable order authorizing such rejection; and it is further

ORDERED that each proof of claim to be properly filed pursuant to this Order shall (i) be written in the English language, (ii) include a claim amount denominated in lawful currency of the United States, (iii) conform substantially with the Proof of Claim or Official Form No. 10, (iv) indicate the Debtor against which the creditor is asserting a claim, (v) include supporting documentation (if voluminous, attach a summary) or an explanation as to why such documentation is not available, and (vi) be signed by the claimant or if the claimant is not an individual, by an authorized agent of the claimant; and it is further

ORDERED that any holder of a claim against one or more of the Debtors who is required, but fails, to file a proof of claim for such claim in accordance with this Order on or before the Bar Date shall be forever barred, estopped, and enjoined from asserting such claim against such Debtor (or filing a Proof of Claim with respect thereto) and such Debtor's estate and its property shall be forever discharged from any and all indebtedness or liability with respect to such claim, and such holder shall not be permitted to vote on any chapter 11 plan or participate in any distribution in such Debtor's chapter 11 case on account of such claim or to receive further notices regarding such claim; and it is further

ORDERED that notice of the entry of this Order and of the Bar Date in a form substantially similar to the notice attached to the Application as Exhibit "C" (the "Bar Date Notice"), which Bar Date Notice is hereby approved in all respects, shall be deemed good, adequate, and sufficient notice if it is served together with one or more Proof of Claim forms (as appropriate) by being deposited in the United States mail, first class postage prepaid, within fifteen (15) days after the date of entry of this Order, upon:

- a. the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee");
- b. each member of the statutory creditors' committee (the "Creditors' Committee"), and the attorneys for the Creditors' Committee;
- c. attorneys for the Debtors' prepetition senior secured lenders;
- d. all known holders of claims listed on the Schedules at the addresses stated therein (or a more accurate last known address);
- e. all counterparties to the Debtors' executory contracts and unexpired leases listed on the Schedules at the addresses stated therein (or a more accurate last known address);
- f. the District Director of Internal Revenue for the Southern District of New York;
- g. the Securities and Exchange Commission;

- h. certain other entities with whom, prior to the Commencement Date, the Debtors had done business or who may have asserted a claim against the Debtors in the recent past;
- i. the entities set forth in the Debtors' Master Service List established pursuant to that certain Order Establishing Notice Procedures, dated May 15, 2003;
- j. all persons or entities that have requested notice of the proceedings in Debtors' cases; and
- k. all parties to litigation with the Debtors;

and it is further

ORDERED that, with regard to those creditors listed on the Schedules, the Debtors shall mail one or more proof of claim forms (as appropriate) substantially similar to the Proof of Claim form annexed to the Application as Exhibit "B," indicating in the top right hand corner thereof how the Debtors have scheduled such creditor's claim in the Schedules (including, the identity of the applicable Debtor, the amount of the claim (if any listed) and whether the claim has been scheduled as contingent, unliquidated, or disputed); and it is further

ORDERED that, with respect to the Debtors' current employees, the Debtors shall distribute notice by e-mail of the Bar Date to such employees using a notice substantially similar to the form of notice annexed to the Application as Exhibit "D," which notice is approved in all respects, and utilizing the Employee Notification Procedures (as such procedures are described in the Application) within ten (10) business days after the date of entry of this Order; and it is further

ORDERED that, pursuant to Bankruptcy Rule 2002(1), the Debtors shall publish a Bar Date Notice in substantially the form annexed to the Application as Exhibit "E" (the "Publication Notice"), in USA Today (National Edition), on one occasion at least twenty-five (25) days prior to the Bar Date, which publication is hereby approved in all respects and which

shall be deemed good, adequate, and sufficient publication notice of the Bar Date; and it is further

ORDERED that if the Debtors amend or supplement their Schedules subsequent to the date hereof, the Debtors shall give notice of any amendment or supplement to the holders of claims affected thereby, and such holders shall be given notice of such deadline and shall be afforded thirty (30) days from the date on which such notice is given to file proofs of claim in respect of their claim or be forever barred from doing so; and it is further

ORDERED that the Debtors and BMC are authorized and empowered to take such steps and perform such acts as may be necessary to implement and effectuate the terms of this Order; and it is further

ORDERED that notification of the relief granted by this Order as provided herein and in the Exhibits to the Application is fair and reasonable and will provide good, sufficient, and proper notice to all creditors of their obligations in connection with claims they may have against the Debtors in these chapter 11 cases; and it is further

ORDERED that nothing in this Order shall prejudice the right of the Debtors or any other party in interest to dispute or assert offsets or defenses to any claim reflected in the Schedules, and it is further

ORDERED that entry of this Order is without prejudice to the right of the Debtors to seek a further order of this Court fixing the date by which holders of a claim not subject to the Bar Date established herein must file such claim against one or more of the Debtors or be forever barred from voting upon any chapter 11 plan or plans for such Debtor, from receiving any payment or distribution of property from such Debtor's estate or its successors or assigns with respect to such claim, and from asserting such claim against any Debtor; and it is further

ORDERED that the requirement under Rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York for the filing of a separate memorandum of law is waived.

/s/ ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

Dated: New York, New York
September 23, 2003