

Thomas A. Martin, Esq. (TM 4761)
PUTNEY, TWOMBLY, HALL & HIRSON LLP
521 Fifth Avenue
New York, New York 10175
(212) 682-0020
Attorneys for Connecticut General Life Insurance Company

Hearing Date: June 7, 2004
Hearing Time: 10:00 a.m.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE:

ALLEGIANCE TELECOM, INC., et al.

Debtors.

**Chapter 11
Case No. 03-13057 (RDD)**

**CONNECTICUT GENERAL LIFE
INSURANCE COMPANY'S
OBJECTION TO DEBTOR'S
INTENT TO ASSUME, ASSUME
AND ASSIGN, OR ASSIGN
CERTAIN EXECUTORY
CONTRACTS AND UNEXPIRED
LEASES**

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

Connecticut General Life Insurance Company ("CGLIC"), by and through its attorneys, Putney, Twombly, Hall & Hirson LLP, as and for its Objection to Debtor's Notice of Intent to Assume, Assume and Assign, or Assign Certain Executory Contracts and Unexpired Leases ("Notice") dated May 18, 2004, respectfully sets forth and alleges:

1. In its Notice, Debtor states its intention to assume and/or assign a certain contract with CGLIC identified as the "Welfare Plan Coverage Carrier" with a cure amount of "\$0.00" as set forth in Debtor's Exhibit A.
2. Although CGLIC is generally referenced as the party with whom Debtor wishes to assume and/or assign a contract, since CGLIC is party to several

contracts with Debtor, CGLIC is unsure which contract(s) the Debtor is referring to. Debtor's Exhibit A does not state a particular policy or policy number sufficient for identification by CGLIC.

3. To the extent that Debtor intends to assume and/or assign its current Administrative Services Only Agreement ("ASO") with CGLIC, as administrator of Debtor's self-insured health care plan, Debtor owes CGLIC post-petition ASO fees for April and May 2004 totaling \$69,110.67.

4. To the extent that Debtor intends to assume and/or assign its current Stop Loss Policy with CGLIC, Debtor owes CGLIC post-petition stop loss premium for May 2004 in the amount of \$64,973.93.

5. To the extent that Debtor intends to assume and/or assign its obligations under the Declining Supplemental Premium (DSP) Agreement with respect to its Group Healthcare Policy, the terms of that agreement call for Debtor to fund "runout" claims on a monthly basis rather than pay a lump sum supplemental premium amount of \$3,746,942.00. Although at the present time Debtor has funded such runout claims, should Debtor and/or Buyer upon assignment and/or assumption cease to fund such claims, the remaining lump sum amount of the supplemental premium will immediately become due.

6. At this time, CGLIC is unable to agree to any such assumption and/or assignment without further clarification as to which policy/agreement (collectively the "Contracts") is intended to be assumed and/or assigned, which entity is taking on the financial obligations associated with the Contracts, and exactly who is the assignee.

Notwithstanding, any such assignment and/or assumption carries a minimum cure amount of \$134,084.60 and continued funding of claims in connection with the DSP as set forth above.

WHEREFORE, CGLIC respectfully requests that this Court: 1) direct Debtor to clarify and further identify the particular CGLIC executory contract(s) it wishes to assign and/or assume; 2) direct Debtor to clarify which entity is taking on the financial obligations associated with the CGLIC executory contract(s); 3) direct Debtor to clarify exactly who the assignee will be in connection with the CGLIC executory contract(s); and 4) determine that the cure amount which must be paid upon assumption and/or assignment of such CGLIC executory contract(s) is \$134,084.60, plus continued funding of claims under the DSP arrangement, together with such other and further relief this Court deems just and proper.

Dated: New York, New York
 June 2, 2004

PUTNEY, TWOMBLY, HALL & HIRSON LLP

By: 
Thomas A. Martin (TM 4761)

521 Fifth Avenue
New York, New York 10175
(212) 682-0020

*Attorneys for Connecticut General
Life Insurance Company*

CERTIFICATE OF SERVICE

The undersigned member of the Bar of this Court, hereby certifies that on June 2, 2004, he caused a true and accurate copy of the foregoing Connecticut General Life Insurance Company's Objection to Debtor's Notice of Intent to Assume, Assume and Assign, or Assign Certain Executory Contracts and Unexpired Leases, to be served electronically upon:

Michael J. Frishberg, Esq.
Kirkland & Ellis
Citigroup Center
153 East 53rd Street, 39th Floor
New York, New York 10004

Attorneys for Debtor

Office of the United States Trustee
Attn: Pamela J. Lustrin, Esq.
33 Whitehall Street
21st Floor
New York, New York 10004

US Trustee

Jesse Austin, III, Esq.
Paul, Hastings, Janofsky & Walker LLP
600 Peachtree Street, N.E. , 24th Floor
Atlanta, Georgia 30308

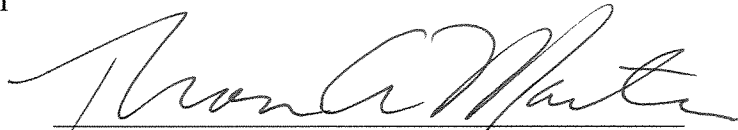
Attorneys for Pre-Petition Lenders

Ira S. Dizengoff, Esq.
Akin Gump Strauss Hauer & Feld, LLP
590 Madison Avenue
New York, New York 10022

Unsecured Creditors Committee

Steven D. Pohl, Esq.
Brown Rudnick Berlack Israels, LLP
One Financial Center
Boston, MA 02111

Attorneys for Buyer


Thomas A. Martin (TM 4761)