

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

.....
In re

Allegiance Telecom, Inc., et al.,

Debtors.
.....

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

(Jointly Administered)

NOW COMES, Jack J. Schmerling, 7429 Baltimore Annapolis Boulevard, Glen Burnie, Maryland 21061, Account No. 251503, *pro se*, and states as follows:

1. We dispute the existence of an unexpired lease or executory contract in the above-referenced matter.

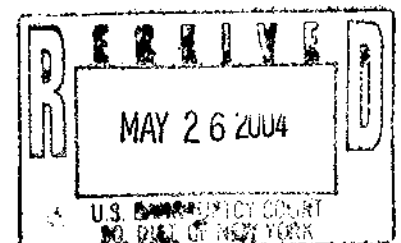
2. The equipment provided by the Debtors was defective in nature, inappropriate for use as suggested, and required thousands of dollars of expenditures in consulting time in an attempt to cure the defective services and equipment provided.

3. As a result of the equipment and services provided by Allegiance Telecom, my law practice lost all use of the computer network system and individual computer stations used by five support staff for several days at a time on several different occasions.

4. I was required to obtain expert services in an attempt to alleviate the problem. My expert and I both were in contact on numerous occasions with Allegiance and its representatives in an attempt to correct the problems (see attached correspondence - Enclosure 1)

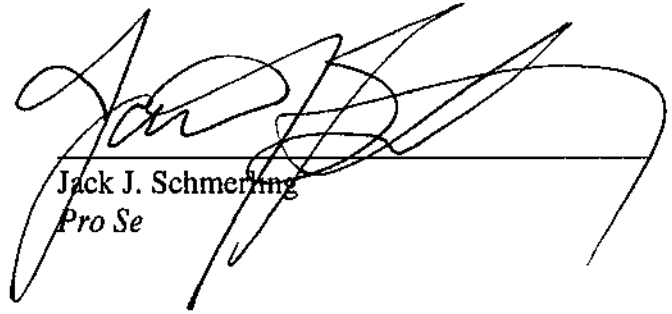
5. I advised Allegiance at the time in writing (see attached correspondence - Enclosure 2) that should they attempt to pursue a claim against me for this alleged breach that I would seek appropriate damages, which, in fact, far exceed the remaining balance on the contract.

6. Accordingly, I dispute that any monies are due and owing under the lease in this matter. It was my understanding that when the contract was terminated, that Allegiance would not seek to pursue this claim, and, if they did, I advised them that I would file a counter-claim which far exceeds the amount of their claim.



8. We will not waive any defenses or objections we have in this matter.

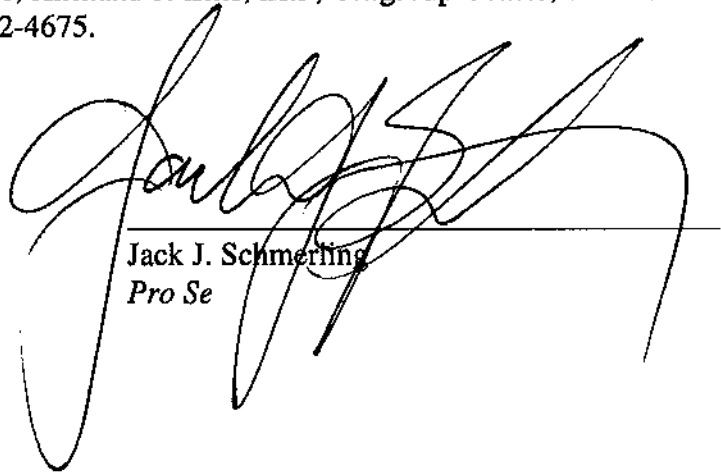
Respectfully Submitted,



Jack J. Schmerling
Pro Se

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that on 24th day of May, 2004, a copy of the foregoing document was mailed, first-class, postage prepaid, to: Matthew A. Cantor, Esquire, Jonathan S. Henes, Esquire, Kirkland & Ellis, LLP, Citigroup Center, 153 East 53rd Street, New York, New York 10022-4675.



Jack J. Schmerling
Pro Se

