

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	
	:	Chapter 11 Case No.
Allegiance Telecom, Inc., <u>et al.</u> ,	:	03-13057 (RDD)
	:	
Debtors.	:	Jointly Administered

**FINAL ORDER PURSUANT TO SECTIONS 105(a), 345, 363,
1107 AND 1108 OF THE BANKRUPTCY CODE AUTHORIZING
INVESTMENT OF FUNDS USING EXISTING INVESTMENT GUIDELINES**

Upon the motion (the “Motion”), dated May 14, 2003, of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”), seeking entry of an order, pursuant to sections 105(a), 345, 363, 1107 and 1108 of the Bankruptcy Code,¹ authorizing the Debtors to (a) maintain existing bank accounts, (b) continue to use existing checks, correspondence and business forms, (c) continue to use the existing cash management system and (d) invest Funds using the Debtors’ existing Investment Guidelines, as more fully set forth in the Motion; and a hearing to consider the Motion having been held on May 15, 2003; and an order approving the relief requested in the Motion with respect to authorization to invest funds using the Debtors’ existing Investment Guidelines on an interim basis having been entered on May 15, 2003; and an order granting the relief requested in the Motion on a final basis with respect to authorizing the Debtors to (i) maintain existing bank accounts, (ii) continue to use existing checks, correspondence and business forms and (iii) continue to use the existing cash management system having been entered on May 15, 2003; and subsequent to filing of the Motion, the Debtors have taken steps to adjust their investment

¹ Unless otherwise defined herein, capitalized terms shall have the meaning ascribed to them in the Motion.

practices to comply with section 345(a) of the Bankruptcy Code; and it appearing that the Court has jurisdiction to consider and determine the Motion as a core proceeding in accordance with 28 U.S.C. §§ 157 and 1334; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors and other parties in interest; and due and proper notice of the Motion having been given and no further notice need be given; and after due deliberation and sufficient cause appearing therefor; it is

ORDERED that the relief requested in the Motion regarding authorization to invest Funds using the Debtors' existing Investment Guidelines, as modified by this Order, is granted; and it is further

ORDERED that to the extent certain of the Debtors' investment practices do not strictly comply with the requirements of section 345(a) of the Bankruptcy Code and the Investment Guidelines, as revised, the Debtors are granted a waiver of such requirements for an additional period of thirty (30) days from the date of entry of this Order; provided, however, that after the expiration of such 30-day period, the Debtors' investment practices will be in compliance with section 345(a) of the Bankruptcy Code; and it is further

ORDERED that the Debtors are hereby authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

Dated: New York, New York
July 15, 2003

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE