

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**INTERIM ORDER AUTHORIZING AND APPROVING THE
RETENTION OF BANKRUPTCY MANAGEMENT CORPORATION
AS NOTICE, CLAIMS AND BALLOTING AGENT FOR THE DEBTORS**

Upon the application (the "Application"), dated May 14, 2003, of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (the "Debtors"), seeking entry of an order, pursuant to 28 U.S.C. § 156 and rule 5075-1 of the Local Bankruptcy Rules for the Southern District of New York, authorizing and approving the retention of Bankruptcy Management Corporation ("BMC"), as notice, claims and balloting agent to the Debtors, as more fully set forth in the Application; and upon the Affidavit of Tinamarie Feil, a Vice President of BMC dated May 13, 2003; and the Court having jurisdiction to consider and determine the Application as a core proceeding pursuant to 28 U.S.C. §§ 157 and 1334; and that their employment is necessary and would be in the best interests of the Debtors and their estates; and it appearing that due and proper notice of the Application has been given; and after due deliberation and sufficient cause appearing therefor it is

ORDERED that pursuant to 28 U.S.C. § 156(c) and Local Bankruptcy Rule 5075-1, the Debtors' employment of BMC as its notice, claims and balloting claims agent in this case upon the terms and conditions set forth in the Application and Retention

Agreement¹, subject to sections 328(a), 330 and 331 of the Bankruptcy Code, effective as of the commencement of this case, is approved on an interim basis; and it is further

ORDERED that the Debtors shall serve a copy of the Application and this Order upon the Master Service List and any other party affected by the requested relief within two business days; and it is further

ORDERED that any objections to the relief requested by the Application on a final basis must be filed with the Court, One Bowling Green, New York, New York 10004-1408, with a copy to Chambers, by no later than June 11, 2003 at 4:00 p.m. and served upon Kirkland & Ellis attorneys for the Debtors, Citigroup Center, 3153 East 53rd Street, New York, New York 10022-4611, Attention: Jonathan S. Henes, Esq. so as to be actually received by such filing deadline; and it is further

ORDERED that any objections to the Application must be filed with the Court in accordance with General Order of the United States Bankruptcy for the Southern District of New York, M-242, which order can be found at www.nysb.uscourts.gov; and it is further

ORDERED that the final hearing on approval of the Application shall be held on June 13, 2003 at 10:00 a.m. in Room 610 of the Court, or such later time as counsel may be heard; and it is further

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

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: New York, New York
May 16, 2003

/s/ Robert D. Drain
United States Bankruptcy Judge