

KIRKLAND & ELLIS, LLP  
Citigroup Center  
153 East 53<sup>rd</sup> Street  
New York, New York 10022-4675  
Telephone: (212) 446-4800  
Facsimile: (212) 446-4900  
Matthew A. Cantor (MC-7727)  
Jonathan S. Henes (JH-1979)

Attorneys for Debtors and Debtors in Possession

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

---

**SUPPLEMENTAL AFFIDAVIT OF PETER C. KEENOY IN SUPPORT OF  
DEBTORS' MOTION FOR APPROVAL OF SERVICES AGREEMENT  
WITH IMPALA PARTNERS LLC**

STATE OF TEXAS            )  
                                  )     SS.  
COUNTY OF DALLAS        )

Peter C. Keenoy, being duly sworn, hereby deposes and says:

1. I am a member of Impala Partners LLC ("Impala"), a firm which maintains an office at 18 Marshall Street, Suite 112, Norwalk, Connecticut, and I make this Supplemental Affidavit on behalf of Impala (the "Supplemental Affidavit"). Except as otherwise noted, I have personal knowledge of the matters set forth herein.

2. On July 11, 2003, Impala filed with this Court the Affidavit of Paul A. Street in Support of Debtors' Motion Pursuant to Sections 105 and 363 of the Bankruptcy Code for Approval of Services Agreement with Impala Partners, LLC (the "Original Affidavit"). Since the filing of the Original Affidavit, Impala has been retained by the following two (2) companies, in matters unrelated to these chapter 11 cases, and one of the companies may be a party in interest in these chapter 11 cases:

Horizon PSC, Inc.:

Impala has been retained by Horizon PCS, Inc. ("Horizon") a provider of wireless mobile communications services and products under the Sprint and Sprint PCS brand names. Horizon is a wireless network affiliate of Sprint PCS.

Sprint Communications Company, L.P. and Sprint-Florida, Incorporated are parties in interest and potential creditors in these chapter 11 cases. Upon information and belief, the Debtors do not have any current financial or business relationship with Horizon, and Horizon is a provider of wireless services, which the Debtors do not provide.

KMC Telecom, Inc.:

Impala has previously disclosed its advisory relationship with KMC Telecom, Inc. ("KMC") in its of court restructuring. KMC has completed its restructuring and Impala will assist KMC by analyzing potential acquisitions identified by KMC and giving managerial and organizational advice to KMC. The Debtors have executory contracts with KMC Telecom II, Inc. and with KMC Telecom XI, LLC. Additionally, KMC affiliated entities are potential creditors of the Debtors.

To avoid any potential conflict of interest, in its work with the Debtors, Impala and its members will recuse themselves from any matters that could impact or relate to KMC. In addition, in its work with KMC, Impala and its members will recuse themselves from any matters that could impact or relate to the Debtors.

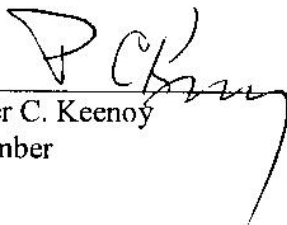
3. None of the additional disclosures provided herein are materially adverse to the interests of the Debtors or the Debtors' estates. If any new relevant facts or

relationships are discovered or arise, Impala will use its reasonable efforts to identify any such further developments and will promptly file another supplemental affidavit.

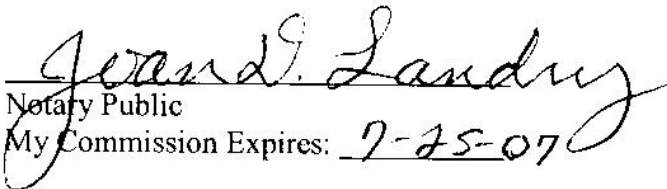
4. The foregoing disclosures of Impala's representations of creditors and parties in interest in matters unrelated to these chapter 11 cases will not effect Impala's representation of the Debtors in these chapter 11 cases.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 24, 2003.

  
\_\_\_\_\_  
Peter C. Keenoy  
Member

Sworn to before me this 24<sup>th</sup> day of September 2003.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires: 7-25-07

