

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

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

**ORDER AUTHORIZING THE DEBTORS TO
EMPLOY AND RETAIN SWIDLER BERLIN SHEREFF
FRIEDMAN, LLP AS SPECIAL REGULATORY COUNSEL**

Upon the application, dated November 6, 2003 (the "Application"), 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 327(e) and 328(a) of title 11 of the United States Code (the "Bankruptcy Code"), authorizing and approving the employment and retention of Swidler Berlin Shereff Friedman, LLP ("Swidler Berlin") as special regulatory counsel to the Debtors, as more fully set forth in the Application; and upon the affidavit of Jean L. Kiddoo, Esq., a member of the firm of Swidler Berlin, sworn to on November 6, 2003 (the "Kiddoo Affidavit"), annexed to the Application as Exhibit "1"; and it appearing that this Court has jurisdiction to consider and determine the Application as a core proceeding in accordance with 28 U.S.C. §§ 157 and 1334; and the Court being satisfied, based on the representations made in the Application and the Kiddoo Affidavit, that Swidler does not hold or represent any interest adverse to the Debtors or their estates as to the matters upon which it is to be engaged; and it appearing that the relief requested in the Application is necessary and in the best interests of the Debtors' estates, their creditors, and other parties in interest; and it appearing that due and proper notice of the Application has been given and that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Application is granted, and it is further

ORDERED that, in accordance with sections 327(e) and 328 of the Bankruptcy Code, the Debtors are authorized to employ and retain Swidler Berlin, effective as of the date of the Application, as their special regulatory counsel upon the terms and conditions set forth in the Application; and it is further

ORDERED that Swidler Berlin shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, the guidelines established by the Office of the United States Trustee, and such orders and procedures as may be fixed by this Court; and it is further

ORDERED that Swidler Berlin is authorized to apply a portion of the Retainer (as defined in the Application) to pay the Prepetition Fees (as defined in the Application) (i.e., the amount of \$9,964.12) and shall hold the remaining portion of the Retainer to apply to fees, charges and disbursements relating to services rendered subsequent to the Commencement Date as may be further ordered by the Court; and it is further

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

Dated: New York, New York
November __, 2003

UNITED STATES BANKRUPTCY JUDGE