

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

ORDER ESTABLISHING NOTICE PROCEDURES

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”), requesting an order establishing appropriate notice procedures and limiting notice on various matters to affected parties only, as more fully set forth in the Motion; and the Court having jurisdiction to consider and determine the Motion as a core proceeding pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that the relief requested by the Motion is in the best interests of the Debtors, their creditors, and all parties in interest; and it appearing that due and proper notice of the Motion has been given; and after due deliberation and sufficient cause appearing therefor; it is

ORDERED that the Motion is granted; and it is further

ORDERED that the Debtors shall establish a master service list, which shall include: (a) the Office of the United States Trustee for the Southern District of New York; (b) the Debtors; (c) the attorneys for the Debtors; (d) the Prepetition Lenders¹; (e) the attorneys for any Committee appointed in these cases; (f) any party whose interests are directly affected by a specific pleading; (g) those persons who have formally appeared and requested service in these

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

cases in accordance with Bankruptcy Rule 2002; and (h) the Securities and Exchange Commission, the Internal Revenue Service, and other government agencies to the extent required by the Bankruptcy Rules and the Local Bankruptcy Rules for the Southern District of New York (the “Master Service List”); and it is further

ORDERED that the proceedings with respect to which notice shall be limited to the Master Service List shall include all matters covered by Bankruptcy Rule 2002, with the exception of the following: (a) notice of the first meeting of creditors pursuant to section 341 of the Bankruptcy Code; (b) the time fixed for filing proofs of claim pursuant to Bankruptcy Rule 3003(c); (c) the time fixed for filing objections and the hearing to consider approval of a disclosure statement and confirmation of a chapter 11 plan; and (d) notice of and transmittal of ballots for accepting or rejecting a plan of reorganization; and it is further

ORDERED that the initial Master Service List, annexed to the Motion as Exhibit “A,” is approved and that upon the filing of a notice of appearance by any party in interest, the Debtors shall promptly update the Master Service List to include the names and addresses of such party in interest and will file such updated Master Service List with the Court; and it is further

ORDERED that the initial Master Service List shall include attorneys for the Ad Hoc Committee and creditors holding the forty (40) largest unsecured claims against the Debtors’ estates on a consolidated basis; provided, however, that at such time as a Committee is appointed in these chapter 11 cases, the initial Master Service List shall be revised to include the attorneys for such Committee and remove the attorneys for the Ad Hoc Committee and the forty (40) largest unsecured creditors, unless any of such creditors have formally appeared and requested service in these cases pursuant to Bankruptcy Rule 2002; and it is further

ORDERED that the Debtors are authorized to provide notice to their employees of the commencement of these chapter 11 cases by posting notices on (i) bulletin boards located in the Debtors' premises (ii) e-mail notification, or (iii) the Debtors' intranet postings and such notice constitutes adequate and sufficient notice to the Debtors' employees of these chapter 11 cases; and it is further

ORDERED that service of the Motion as provided therein shall be deemed good and sufficient notice of such Motion.

Dated: New York, New York
_____, 2003

UNITED STATES BANKRUPTCY JUDGE