

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11
: :
Allegiance Telecom, Inc., et al., : Case No. 03-13057 (RDD)
: :
Debtors. : (Jointly Administered)
: :
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**ORDER DENYING MOTION OF DALEEN SOLUTIONS, INC.
FOR RELIEF FROM THE AUTOMATIC STAY
UNDER SECTION 362 OF THE BANKRUPTCY CODE**

Upon consideration of the motion (the “Motion”) of Daleen Solutions, Inc. (“Daleen”) seeking relief from the automatic stay pursuant to section 362 of title 11 of the United States Code (the “Bankruptcy Code”) dated October 31, 2003 filed in the chapter 11 cases of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”); and an objection (the “Objection”) having been filed by the Debtors on November 14, 2003; and a joinder to the Objection having been filed by the official committee of unsecured creditors on November 14, 2003 and by General Electric Capital Corporation on November 17, 2003; and a response (“Response”) to the Objection having been filed by Daleen on November 18, 2003; and a hearing (the “Hearing”) to consider the Motion having been held by the Court on November 19, 2003; and it appearing that this Court has jurisdiction to consider and determine the Motion as a core proceeding pursuant to 28 U.S.C. §§157 and 1334; and due and proper notice of the Motion having been given, and upon the record of the Hearing at which all interested parties, including Daleen and the Debtors, had an opportunity to be heard;

NOW, THEREFORE, upon the Motion, and the pleadings in these cases, and the record of the Hearing held before this Court with respect to the Motion, this Court finds as follows:

A. The Billing Agreement (as defined in the Motion) is an executory contract and, as such, is property of the Debtors' estates within the meaning of section 541 of the Bankruptcy Code.

B. Although the Court understands the practical reasons why Daleen sent notices of non-renewal to the Debtor on October 30, 2003 and October 31, 2003 (collectively, the "Notices"), such Notices violated the automatic stay and are, therefore, void *ab initio*.

C. Daleen did not establish that cause exists to lift the automatic stay under section 362(d)(1) of the Bankruptcy Code.

THEREFORE, it is hereby

ORDERED that the Motion is denied without prejudice to Daleen's right to file a supplemental motion seeking (a) relief from the automatic stay on grounds or facts not raised in the Motion; (b) retroactive relief from the automatic stay; and/or (c) to compel the Debtor to assume or reject the Billing Agreement; and it is further

ORDERED that the automatic stay pursuant to section 362 of the Bankruptcy Code remains in effect with respect to the Billing Agreement.

Dated: New York, New York
November __, 2003

UNITED STATES BANKRUPTCY JUDGE