

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	§	
	§	Chapter 11 Case. No.
ALLEGIANCE TELECOM, INC., <u>et al.</u> ,	§	03-13057 (RDD)
	§	
	§	Jointly Administered
Debtors.	§	

**ORDER APPROVING FIRST INTERIM APPLICATION OF SCOTT,
DOUGLASS & MCCONNICO, LLP FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES AS ORDINARY COURSE TAX
ATTORNEYS TO THE DEBTORS**

Upon the application (the “Application”) of Scott, Douglass & McConnico, LLP (“SD&M”) for compensation and reimbursement of expenses for professional services provided to Allegiance Telecom, Inc., et al. (the “Debtors”); and a hearing having been held before this court to consider the Application on December 16, 2003; and parties in interest having received proper notice of the objection deadline for the Application; and upon the objection to the Application filed by the Office of the United States Trustee; and upon the informal comments of the Official Committee of Unsecured Creditors (the “Committee”); and all objections to the Application, formal or informal, having been resolved as set forth on the record at the hearing and herein and the Court having considered the Application; it is hereby;

ORDERED, that pursuant to 11 U.S.C. § § 330 and 331, the compensation sought pursuant to the Application be, and they hereby is, fixed and awarded in the amount set forth below:

Applicant	Fee Period	Date & Docket Number of Application	Fees Requested	Fees Awarded (as reduced per agreement with the Committee)	Fees Held Back	Expenses Requested	Expenses Awarded
Scott, Douglass & McConnico, LLP - Counsel for Debtors (Interim Application)	5/14/03-8/21/03	10/27/03 Dkt. #533	\$755,167.68	\$525,000.00	\$52,500	\$0	\$0

and it is further

ORDERED that the Debtors are authorized to make payment of \$472,500 to SD&M for such allowed compensation, to the extent not already paid as of the date hereof; and it is further

ORDERED, that the Committee agrees that it will not assert or support any objection to final approval of the compensation awarded herein.

Dated: December 16, 2003

/s/Robert D. Drain
U.S. Bankruptcy Judge
Southern District of New York