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UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK

_____	X	
In re	:	
	:	Chapter 11 Case No.
Allegiance Telecom, Inc., <u>et al.</u> ,	:	03-13057 (RDD)
	:	
Debtors.	:	Jointly Administered
_____	X	

**AFFIDAVIT OF JONATHAN S. HENES, ESQ.
 PURSUANT TO RULE 9077-1 OF THE LOCAL BANKRUPTCY
 RULES FOR THE SOUTHERN DISTRICT OF NEW YORK**

STATE OF NEW YORK)
)
 COUNTY OF NEW YORK) ss.:

JONATHAN S. HENES, being duly sworn, deposes and says:

1. I am an attorney at law admitted to practice before this Court and a member of the firm of Kirkland & Ellis LLP (“K&E”), attorneys for the above-captioned debtors and debtors in possession in connection with these chapter 11 cases.

2. I submit this affidavit based on personal knowledge, except where otherwise indicated, in support of the motion, dated December 23, 2003 (the “Motion”), of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”), for an order shortening the period for notice and a hearing to consider the Debtors’ motion, seeking entry of an order, pursuant 105(a) and 363(b)(1) of the

Bankruptcy Code, authorizing the payment of bonuses to certain of the Debtors' employees (the "Year-End Bonuses Motion").

3. Bankruptcy Rules 2002(a)(2) and 9006(c)(1) and Local Bankruptcy Rule 9006-1 authorize the Court, for cause shown, to reduce the notice period required for a hearing to authorize a proposed use, sale or lease of property of the estate other than in the ordinary course of business. The Debtors request the entry of an order shortening the period for the notice of and hearing on the Year-End Bonuses Motion for the reason set forth below.

4. The Year-End Bonuses Motion contemplates the payment of Year-End Bonuses to all bonus-eligible employees of the Debtors in accordance with the Debtors' past and ordinary practices. The Debtors believe that it is critical for their business operations to pay the Year-End Bonuses as soon as possible. It is crucial for the Debtors to maintain the trust of their employees and to compensate them for their exceptional performance in 2003. Failure to timely pay the Year-End Bonuses may have a highly negative effect on employee morale and cause employee resignations, which would have adverse and potentially disastrous effects on the Debtors' business operations and these chapter 11 cases.

5. In addition, on December 18, 2003, the Debtors filed their motion for orders, pursuant to sections 105(a), 363, 365 and 1146(c) of the Bankruptcy Code: (a) (i) fixing the time, date and place for the bidding procedures hearing and (ii) approving the no-shop provisions set forth in the asset purchase agreement (the "APA") with Qwest Communications International Inc. ("Qwest"); (b) (i) establishing bidding procedures and bid protections in connection with the sale of substantially all of the assets of the Debtors, (ii) approving the form and manner of notices, (iii) approving the asset purchase agreement subject to higher and better offers and (iv) setting a sale approval hearing date; and (c) (i) approving the sale to Qwest Communications

International Inc. free and clear of all liens, claims and encumbrances, (ii) authorizing the assumption and assignment of certain executory contracts and unexpired leases and (iii) granting related relief (the "Bidding Procedures Motion"). The Bidding Procedures Motion is set for a hearing on January 9, 2004.

6. Section 7.2(g) of the APA provides that the payment of the Year-End Bonuses by the Debtors to their bonus-eligible employees in an amount not to exceed \$10.7 million is a condition precedent to closing of the sale under the APA. Qwest required this provision to ensure that the Debtors would make all reasonable efforts to retain, motivate and compensate their employees in the ordinary course of business, with the attendant effect being the maximization of the value of the Debtors' businesses.

7. Accordingly, the Debtors seek an expedited hearing to approve the Year-End Bonuses Motion.

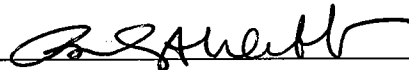
8. In addition, K&E, as attorneys for the Debtors, consulted with the attorneys for the Prepetition Lenders and the attorneys for the Creditors Committee regarding the relief requested herein. **Both** of the aforementioned parties have consented to such relief.

9. Based on the foregoing, the Debtors and their estates may be prejudiced unless the 20-day notice period prescribed for hearings to authorize a proposed use, sale or lease of property of the estate other than in the ordinary course of business pursuant to Bankruptcy Rule 2002(a)(2) is shortened. Accordingly, the Debtors submit that good and sufficient cause exists for this Court to enter an order shortening the prescribed notice period so that the hearing on the Year-End Bonuses Motion. For that reason, the Debtors request that (a) a hearing to consider the Year-End Bonuses Motion be scheduled for January 9, 2004, at 10:00 a.m., prevailing Eastern Time, and (b) the deadline for the service and filing of objections to the Year-End Bonuses

Motion, as it relates to the relief requested be set for January 8, 2004, at 12:00 p.m., prevailing Eastern Time. The Debtors submit that the notice provisions set forth in the proposed order annexed to the Motion constitute good and sufficient notice of the Year-End Bonuses Motion and the proceedings to be held thereon.

10. No previous request for the relief sought in the Motion has been made to this or any other court.

Subscribed and sworn to before me
this 23rd day of December, 2003.





Jonathan S. Henes

Notary Public, State of New York
No. 24-4867475
Qualified in New York County
Commission Expires August 25, 2006

BEVERLY A. WEBB
Notary Public, State of New York
No. 24-4867475
Qualified in Kings County
Certificate filed in New York County
Commission Expires August 25, 2006