UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF KIRKLAND & ELLIS AS ATTORNEYS FOR THE DEBTORS

Upon the application (the "Application"), dated May 14, 2003, Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"), seeking entry of an order (the "Order"), pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the "Bankruptcy Code"), authorizing the Debtors to employ and retain the law firm of Kirkland & Ellis ("K&E") as their attorneys under a general retainer, all as more fully set forth in the Application; and upon consideration of the affidavit of Matthew A. Cantor, a partner of the firm of K&E, sworn to on May 14, 2003 (the "Cantor Affidavit"), which is annexed to the Application; and the Court being satisfied based on the representations made in the Application and the Cantor Affidavit that K&E does not hold or represent any interest adverse to the Debtors or their estates and is disinterested, as that term is defined in section 101(14) the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code; and sufficient notice of the Application having been given; and that their employment is necessary and would be in the best interests of the Debtors and their estates; and it appearing that this Court has jurisdiction to consider and determine the Application as a core proceeding pursuant to 28 U.S.C. §§ 157 and 1334; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Application is granted on an interim basis; and it is further

ORDERED that, pursuant to section 327(a) and 328(a) of the Bankruptcy Code, the Debtors are authorized to employ and retain K&E as their attorneys under a general retainer on the terms set forth in the Application and the Cantor Affidavit, effective as of the Commencement Date; and it is further

ORDERED that K&E shall apply for compensation and reimbursement in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, applicable Federal Rules of Bankruptcy Procedure, Local Bankruptcy Rules for the Southern District of New York (the "Local Rules'), guidelines established by the office of the United States Trustee, and such other procedures as may be fixed by this Court; and it is further

ORDERED that the Debtors shall serve a copy of the Application and this Order upon: (i) the Office of the United States Trustee for the Southern District of New York; (ii) attorneys for the Prepetition Lenders; (iii) attorneys for the Ad Hoc Committee; (iv) the Conflicts Parties; and (v) the 40 largest creditors holding unsecured claims against the Debtors, within two (2) business days; and it is further

ORDERED that any objection to the relief requested by the Application on a permanent basis must be filed with the Court, One Bowling Green, New York, New York 10004-1408, by no later than May __, 2003 at 4:00 p.m. and served on the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attention: Carolyn S. Schwartz, Esq. and Kirkland & Ellis, attorneys for the Debtors, Citigroup Center, 153 East 53rd Street, New York, New York 10022-4611, Attention: Jonathan S. Henes, Esq., so as to be actually received by such filing deadline; and it is further

ORDERED that any objections to the proposed retention must be filed with the Court in accordance with General Order of the United States Bankruptcy Court for the Southern District of New York M-242, which order can be found at www.nysb.uscourts.gov; and it is further

ORDERED that if timely objections are received there shall be a hearing held on May __, 2003 at __:__ __.m. to consider such timely objections to the proposed retention herein; and it is further

ORDERED that if no objections to K&E's retention are timely filed, served and received in accordance with this Order, this Order shall be deemed a Final Order without further notice or hearing, and the Application shall be granted in its entirety, and K&E's retention shall be made effective nunc pro tunc to the date of the commencement of these chapter 11 cases; and it is further

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

Dated: New York, New York
_____, 2003

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UNITED STATES BANKRUPTCY JUDGE