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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	

**EX PARTE MOTION OF THE DEBTORS FOR AN
ORDER APPROVING A TRUNCATED FORM OF NOTICE OF THE AUCTION
AND SALE APPROVAL HEARING FOR PUBLICATION PURPOSES ONLY**

TO: THE HONORABLE ROBERT D. DRAIN,
UNITED STATES BANKRUPTCY JUDGE:
Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as
debtors and debtors in possession (collectively, the “Debtors”), respectfully represent:

Introduction

1. On May 14, 2003, each of the Debtors commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) with this Court. The Debtors are authorized to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

2. No trustee or examiner has been appointed in these chapter 11 cases. On May 28, 2003, pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the United States Trustee for the Southern District of New York (the “U.S. Trustee”) appointed a statutory committee of unsecured creditors (the “Creditors Committee”) in these chapter 11 cases.

3. On December 18, 2003, the Debtors filed a motion (the “Sale Motion”) seeking an order to, among other things, (a) establish bidding procedures and certain protections payable to the Buyer¹ including a break-up fee and expense reimbursement; (b) approve the form and manner of notice related to the sale of certain assets of the Debtors; (c) set a hearing date to consider approval of the sale of substantially all of the assets of the Debtors as provided in the Purchase Agreement; (d) authorize the procedures for assumption and assignment of certain executory contracts and unexpired leases in connection with the sale of the Sale Assets; and (e) grant certain related relief (collectively, the “Bidding Procedures Order”).

4. On January 15, 2004, this Court approved the Bidding Procedures Order, as modified at the hearing to consider approval thereof. Paragraph 15 of the Bidding Procedures Order authorized the Debtors to publish the Notice of the Auction and Hearing to Consider Approval of the Sale of Certain Assets of the Debtors (the “Notice”), a copy of which was annexed to the Bidding Procedures Order as Exhibit 1.

¹ Unless otherwise defined herein, capitalized terms shall have the meaning ascribed to them in the Sale Motion (docket number 777).

Jurisdiction

5. This Court has subject matter jurisdiction to consider and determine this Motion pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Summary of Relief Requested

6. By this Motion, the Debtors request entry of an order to truncate the form of Notice for publication purposes only. The proposed form of the Notice for publication purposes only is annexed hereto as Exhibit A (the “Publication Notice”).

7. The Notice is nine pages long and, pursuant to paragraph 16 of the Bidding Procedures Order, was served on all parties in interest. The Debtors submit that the publication of the Notice would be unnecessarily costly. Moreover, the Debtors believe that a truncated version of the Notice — i.e., the Publication Notice — will provide interested parties with all relevant information regarding the Auction and the Sale Hearing. In that regard, the Publication Notice provides that parties may obtain further information by contacting the Debtors’ attorneys and/or financial advisors. Accordingly, the Debtors request authority to publish the Publication Notice in lieu of the Notice.

Waiver of Memorandum of Law

8. Because there are no novel issues of law presented herein, the Debtors respectfully request that the Court waive the requirement that the Debtors file a memorandum of law in support of this Motion pursuant to rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York.

9. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request that the Court enter an order, substantially in the form annexed hereto, authorizing publication of the Publication Notice.

Dated: New York, New York
January 20, 2004

Respectfully submitted,

/s/ Jonathan S. Henes
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