

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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

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**AFFIDAVIT OF TINAMARIE FEIL IN SUPPORT  
OF THE APPLICATION OF THE DEBTORS FOR  
AN ORDER AUTHORIZING AND APPROVING THE  
RETENTION OF BANKRUPTCY MANAGEMENT CORPORATION  
AS NOTICE, CLAIMS AND BALLOTING AGENT FOR THE DEBTORS**

STATE OF CALIFORNIA            )  
  )        ss.  
COUNTY OF LOS ANGELES        )

Tinamarie Feil, being duly sworn, deposes and says:

1. I am a Vice President of Bankruptcy Management Corporation (“BMC”), located at 1330 E. Franklin Avenue, El Segundo, California 90245, and I make this Affidavit on behalf of BMC. I submit this Affidavit in support of the application (the “Application”) of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors-in-possession (collectively, “Allegiance” or the “Debtors”), for entry of an order authorizing the retention of BMC as notice, claims and balloting agent for the Debtors. Except as otherwise noted, I have personal knowledge of the matters set forth herein.

**BMC’s Qualifications**

2. BMC is one of the country’s leading bankruptcy consulting firms and has expertise and substantial experience in the matters for which it is to be engaged. BMC is well qualified to provide the Debtors with experienced services as notice agent and claims agent in connection with these chapter 11 cases. BMC has performed substantially identical services for

debtors in other large chapter 11 cases, including most recently, the cases of In re Am. Commercial Lines LLC, Ch. 11 Case No 03-90305 (BHL) (Bankr. S.D. Ind. Jan. 31, 2003); In re Conseco, Inc., Ch. 11 Case No 02 B 49672 (CAD) (Bankr. N.D. Ill. Jan. 14, 2003); In re Grumman-Olson Indus., Inc., Ch. 11 Case No 02-16131 (SMB) (Bankr. S.D.N.Y. Dec. 9, 2002), and In re Farmland Indus., Inc., Ch. 11 Case No 02-50557 (JWV) (Bankr. W.D. Miss. May 31, 2002).

3. BMC is fully equipped to handle the volume involved in properly sending the required notices to creditors and other interested parties in these chapter 11 cases. BMC will follow notice procedures that conform to the guidelines promulgated by the Clerk of the Bankruptcy Court, as directed by the Debtors.

4. To the best of my knowledge, after diligent inquiry, neither BMC, nor any employee of BMC, has any connection with the Debtors, its creditors, or any other party in interest. To the best of my knowledge, after diligent inquiry, neither BMC, nor any employee of BMC, represents any interest adverse to the Debtors' estates with respect to any matter upon which BMC is to be engaged.

5. In connection with its appointment as notice, claims and balloting agent to the Debtors in these chapter 11 cases:

- (a) BMC will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the notice agent and claims agent to the Debtors in these chapter 11 cases;
- (b) by accepting employment in these chapter 11 cases, BMC waives any rights to receive compensation from the United States government;
- (c) in its capacity as the notice agent and claims agent to the Debtors in these chapter 11 cases, BMC will not be an agent of the United States and will not act on behalf of the United States; and

- (d) BMC will not employ any past or present employees of the Debtors in connection with its work as the notice agent and claims agent to the Debtors in these chapter 11 cases.

**Services to be Provided**

6. At the request of the Debtors or the Clerk's Office,<sup>1</sup> BMC will provide various services as the notice, claims and balloting agent to the Debtors in these chapter 11 cases, including, without limitation:

- (a) preparing and serving required notices in these chapter 11 cases, which may include:
  - (i) notice of the commencement of these chapter 11 cases and the initial meeting of creditors pursuant to section 341(a) of the Bankruptcy Code;
  - (ii) notice of bar date and proof of claim form to all potential claimants;
  - (iii) notice of any hearings on a disclosure statement and confirmation of a plan of reorganization; and
  - (iv) other miscellaneous notices to any entities, as the Debtors or the Court may deem necessary or appropriate for an orderly administration of these chapter 11 cases;
- (b) after the mailing of a particular notice, filing with the Clerk's Office a certificate or affidavit of service that includes a copy of the notice involved, an alphabetical list of persons to whom the notice was mailed and the date and manner of mailing;
- (c) assist the Debtors with the preparation of their schedule of assets and liabilities, schedule of executory contracts and unexpired leases and statements of financial affairs;
- (d) receiving and recording proofs of claim in the form of an official claims register;
- (e) recording all transfers of claims pursuant to Bankruptcy Rule 3001(e) and providing notice of such transfers as required by Bankruptcy Rule 3001(e);

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<sup>1</sup> Unless otherwise defined herein, capitalized terms shall have the meaning ascribed to them in the Application.

- (f) complying with applicable federal, state, municipal, and local statutes, ordinances, rules, regulations, orders and other requirements;
- (g) promptly complying with such further conditions and requirements as the Clerk's Office or the Court may at any time prescribe; and
- (h) providing such other claims processing, noticing, balloting, and related administrative or data management services as may be requested by the Debtors from time to time.

7. BMC will seek to have payment of compensation for services rendered without further order of this Court upon its submission to the Debtors of invoices that summarize such services and necessarily incurred expenses in reasonable detail. BMC received an advance payment retainer of \$20,000.00 against which BMC will draw its prepetition fees and costs from the retainer and any unused portion of the retainer will be applied against postpetition fees and expenses.

8. No commitments have been made or received by BMC, nor any principal or associate thereof, as to compensation or payment in connection with these chapter 11 cases other than in accordance with the provisions of the Bankruptcy Code. BMC has no agreement with any other entity to share with such entity (other than wholly-owned subsidiaries) any compensation received by BMC in connection with these chapter 11 cases.

9. BMC will maintain reasonably detailed records of any actual and necessary costs and expenses incurred in connection with the aforementioned services.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 13, 2003.

/s/ Tinamarie Feil  
Tinamarie Feil

Subscribed and Sworn to before me  
this 13 day of May, 2003

/s/ Amy T. Betts  
Notary Public  
State of Illinois  
My Commission expires: 2/24/07