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Hearing Date and Time: July 29, 2003 at 10:00 a.m.
Objection Deadline: July 25, 2003 at 4:00 p.m.

Hearing Date and Time: September 15, 2003 at 10:00 a.m.
Objection Deadline: September 10, 2003 at 4:00 p.m.

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Proposed Counsel to the Official Committee of Unsecured
Creditors of Allegiance Telecom, Inc., et al.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:	Chapter 11
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ALLEGIANCE TELECOM, INC., <u>et al.</u> ,	:	Case No. 03-13057 (RDD)
	:	
Debtors.	:	(Jointly Administered)
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**NOTICE OF HEARING ON THE APPLICATION OF THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS OF
ALLEGIANCE TELECOM, INC., ET AL., FOR AN ORDER
AUTHORIZING THE RETENTION OF COMMUNICATION
TECHNOLOGY ADVISORS LLC, AS INDUSTRY AND TECHNOLOGY
ADVISOR, NUNC PRO TUNC TO JUNE 3, 2003**

PLEASE TAKE NOTICE that the Official Committee of Unsecured Creditors (the
"Committee") of Allegiance Telecom, Inc., et al., (collectively, the "Debtors"), seeks entry of an
order approving its Application Authorizing the Employment of Communication Technology
Advisors LLC ("CTA"), as Industry and Technology Advisor, pursuant to sections 328(a) and
1103(a) of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), nunc pro
tunc to June 3, 2003 (the "Application").

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PLEASE TAKE FURTHER NOTICE that a hearing to consider the employment of CTA and the payment of CTA's Monthly Fee,¹ on an interim basis, shall be held before the Honorable Robert D. Drain, United States Bankruptcy Judge, in the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York 10004-1408 (the "Bankruptcy Court"), on July 29, 2003 at 10:00 a.m. (ET), or as soon thereafter as counsel can be heard (the "Interim Hearing").

PLEASE TAKE FURTHER NOTICE that a hearing to consider final approval of the Application, shall be held before the Honorable Robert D. Drain, United States Bankruptcy Judge, in the Bankruptcy Court, on September 15, 2003 at 10:00 a.m. (ET), or as soon thereafter as counsel can be heard (the "Final Hearing").

PLEASE TAKE FURTHER NOTICE that, responses or objections, if any, to the Application must comply with the Federal Rules of Bankruptcy procedure (the "Bankruptcy Rules"), must be set forth in a writing describing the basis therefor and must be filed with the Bankruptcy Court electronically in accordance with General Order M-182 and M-193 by registered users of the Court's electronic case filing system and, by all other parties in interest, on a 3-1/2 inch disk, preferably in Portable Document Format (PDF), Word Perfect or any other Windows-based word processing format (with a hard copy delivered directly to Chambers) and served in accordance with General Order M-182 or by first-class mail upon each of the following: (i) counsel to the Committee, Akin Gump Strauss Hauer & Feld LLP, 590 Madison Avenue, New York, New York 10022-2524, Attn: Ira S. Dizengoff, Esq. and Philip C. Dublin, Esq., (ii) counsel to the Debtors, Kirkland & Ellis, Citigroup Center, 153 East 53rd Street, New

¹ Terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

York, New York 10022, Attn: Jonathan S. Henes, Esq., (iii) counsel to the Agent for the Lenders, Paul, Hastings, Janofsky & Walker LLP, 600 Peachtree Street, NE, Ste. 2400, Atlanta, GA 30308, Attn: Jesse H. Austin, III, Esq., and (iv) the Office of the United States Trustee, Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Pamela Jean Lustrin, Esq., in each case so as to be received not later than (a) July 25, 2003 at 4:00 p.m. (ET) with respect to the relief requested at the Interim Hearing, and (b) September 10, 2003 at 4:00 p.m. (ET) with respect to the relief requested at the Final Hearing. Only those responses made in writing and timely filed and received will be considered at the hearing. Any such response must state with specificity the reason or reasons why the relief requested in the Application should not be granted.

PLEASE TAKE FURTHER NOTICE that pursuant to the Application, the Committee seeks to retain CTA to provide the following services for the Committee: (a) analyze the Debtors' telecommunications operations, service delivery and technological capabilities, each as it applies to the Debtors' current financial condition and its prospects for the Debtors' future performance; (b) conduct a detailed review of the Debtors' recent financial performance, business plan, marketing plan, revenue forecasts, capital program, management and competitive environment; (c) review and advise the Committee with respect to operating cash flow risks and opportunities. CTA will review current network architecture and lease arrangements, market channel and product profitability, regulatory matters as they affect current and future operations. CTA will evaluate the potential free cash flow generators and associated timing; (d) assist and advise the Committee in connection with the Debtors' current contracts, both from a market level evaluation, and overall usefulness of such contracts in a restructured company; (e) provide input and overall evaluation of the Debtors' revised financial plan to be included in the Debtors' plan

of reorganization; (f) assist and advise the Committee in the preparation and negotiation of any plan of reorganization proposed by the Debtors or developed by the Committee and other creditor constituencies of the Debtors; and (g) provide such other advice and assistance as may be reasonably requested by the Committee from time to time.

PLEASE TAKE FURTHER NOTICE that, if CTA's retention is approved, CTA will be entitled to receive the following compensation:

- a) for services rendered from June 3, 2003 until the confirmation of a plan of reorganization for the Debtors, a monthly fee of \$125,000; and
- b) the reimbursement of all reasonable and actual out of pocket expenses.

PLEASE TAKE FURTHER NOTICE that if the Application is granted, as more fully described in the Application and subject to certain conditions, the Debtors shall indemnify and hold CTA harmless against any and all losses, claims, damages or liabilities in connection with the engagement, except to the extent they result from CTA's gross negligence, willful misconduct, bad faith or self dealing in connection with the performance of its services.

PLEASE TAKE FURTHER NOTICE that the foregoing summary of certain elements of the retention is not complete, and that the full terms of the retention are contained in the Application and the letter agreement, dated as of June 3, 2003, containing the terms of CTA's employment in these chapter 11 cases (the "Engagement Letter"), which is annexed to the Application as Exhibit A. The Application and the Engagement Letter are available for inspection at the Office of the Clerk for the Bankruptcy Court and on the Bankruptcy Court's Internet site at www.nysb.uscourts.gov, through an account obtained from Pacer Service Center

at 1-800-676-6856, or 1-210-301-6440, or www.pacer.psc.uscourts.gov. To the extent that the summary of the retention terms set forth in this notice conflict with the terms of the Engagement Letter, the terms of the Engagement Letter shall control.

PLEASE TAKE FURTHER NOTICE that if you do not object by the September 10, 2003 objection deadline above, your rights to subsequently object to the compensation of CTA will be affected and subject to the heightened standard of review enumerated in section 328 of the Bankruptcy Code.

Dated: New York, New York
July 11, 2003

AKIN GUMP STRAUSS HAUER & FELD LLP

By: s/ Ira S. Dizengoff
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Proposed Counsel to the Official Committee
of Unsecured Creditors