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CARL J. LUMLEY
PRINCIPAL

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September 9, 2002

Secretary of the Public Service Commission
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102-0360

Via Federal Express
833736654099

FILED³

SEP 10 2002

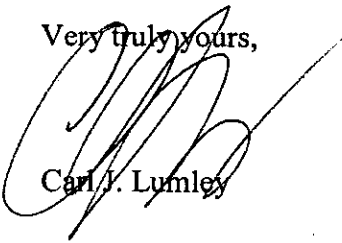
Re: Case No. LM-2003-0028

Missouri Public
Service Commission

Dear Secretary of the Commission:

Enclosed please find for filing with your office an original and nine (9) copies of a Filing Memorandum filing additional pages to Exhibit A, supplemental Exhibit C, new HC portion of Exhibit D (under seal), and supplement Exhibit E to Western Communications, Inc., Application for Approval of Transfer of Assets and Subscribers and for Waiver of Commission Rule 33.150 in connection with the above-referenced matter. Upon your receipt, please process and return a file stamped copy to the undersigned in the enclosed, self-addressed, stamped envelope. If you have any questions, please contact me.

Very truly yours,


Carl J. Lumley

CJL:dn

FILED³

SEP 10 2002

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

Missouri Public
Service Commission

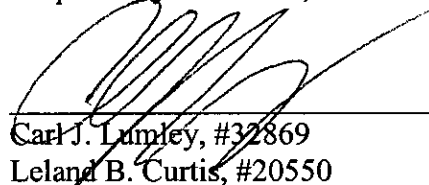
In the matter of the Application of)
Western Communications, Inc.)
For Approval of the Transfer of Assets and)
Subscribers of Logix Communications Corp.)
and for Waiver of)
Commission Rule 33.150.)

Case No. LM-2003-0028

FILING MEMORANDUM

COMES NOW Western Communications Inc. (Western) and herewith files additional pages to Exhibit A, supplemental Exhibit C, new HC portion of Exhibit D (under seal) and supplemental Exhibit E, to the Application for Approval of Transfer of Assets and Subscribers and for Waiver of Commission Rule 33.150.

Respectfully submitted,



Carl J. Lumley, #32869

Leland B. Curtis, #20550

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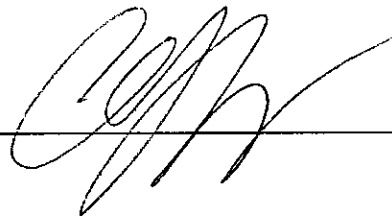
Attorneys for Western Communications Inc.

Certificate of Service

A true and correct copy of the foregoing document was mailed this 9 day of September, 2002, by placing same in the U.S. Mail, postage paid to:

Office of Public Counsel
P.O. Box 7800
Jefferson City, Missouri 65102

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

A handwritten signature in black ink, appearing to be "C. M. W.", is written over a horizontal line.



State of Missouri
Matt Blunt, Secretary of State

No. X **414968**

Corporations Division

FILED

Registration of Fictitious Name

AUG 19 2002

(Submit in duplicate with filing fee of \$7)

(Must be typed or printed)

Matt Blunt
SECRETARY OF STATE

This information is for the use of the public and gives no protection to the name. There is no provision in this Chapter to keep another person or business from adopting and using the same name. (Chapter 417, RSMo.)

We, the undersigned, are doing business under the following name, and at the following address:

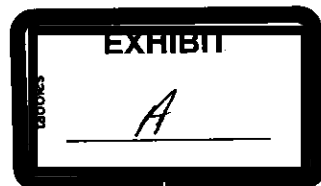
Business name to be registered: Logix Communications
Business Address: 1330 Post Oak Blvd., #301
(P.O. Box alone not acceptable)
City, State and Zip Code: Houston, TX 77056

The parties having an interest in the business, and the percentage they own are (if a business entity is owner, indicate business name and percentage owned. If all parties are jointly and severally liable, percentage of ownership need not be listed):

Name of Owners, Individual or Business Entity	Street and Number	City	State and Zip Code	If listed, Percentage of ownership must equal 100%
Western Communications, Inc.	1330 Post Oak Blvd., #301	Houston,	TX 77056	100%
<u>F00511732</u>				

Return to: Secretary of State
Corporations Division
P.O. Box 778
Jefferson City, Mo. 65102

(Over)



The undersigned, being all the parties owning interest in the above company, being duly sworn, upon their oaths each did say that the statements and matters set forth herein are true.

Individual
Owners
Sign Here

}

X _____ X _____
X _____ X _____
X _____ X _____

414963

If
Business Entity
Is
Owner,
Authorized
Person
Execute
Here

}

Western Communications, Inc.

Business Name

R. Henriksen

Authorized Signature

Ronald W. Henriksen, President/Secretary

Printed Name

Title

State of ~~Missouri~~ TEXAS

County of

Harris

} ss

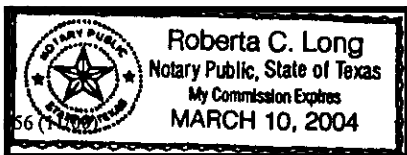
I, *Roberta C. Long*, A Notary Public, do hereby certify that on *8/14/02*
month/day/year

personally appeared before me *Ronald W. Henriksen*, and being duly sworn by me, acknowledged that he/she signed as his/her own free act and deed the foregoing document in the capacity therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year before written.

(Notarial Seal or Stamp)

Roberta C. Long
Notary Public



Corp. 56

My commission expires *3/10/04*

My County of Commission *Harris*

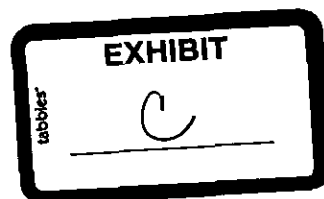
**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	
	§	
LOGIX COMMUNICATIONS	§	CASE NO. 02-32105-H5-11
CORPORATION and	§	(Chapter 11)
	§	
LOGIX COMMUNICATIONS	§	CASE NO. 02-32106-H5-11
ENTERPRISES, INC.,	§	(Chapter 11)
	§	
DEBTORS.	§	Jointly Administered Under
	§	CASE NO. 02-32105-H5-11

**ORDER APPROVING SALE OF ASSETS FREE AND CLEAR OF LIENS, CLAIMS
AND ENCUMBRANCES AND AUTHORIZING ASSUMPTION AND ASSIGNMENT OF
CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND
APPROVING COMPROMISE OF CONTROVERSY WITH THE SBC AFFILIATES**

The Court has considered the May 23, 2002 Expedited Motion for Order Approving Sale of Assets Free and Clear of Liens, Claims and Encumbrances and For Authority to Assume and Assign Certain Executory Contracts and Unexpired Leases [docket number 173], the July 8, 2002 Supplemental Expedited Motion for (i) Approval of Sale of Assets Free and Clear of Liens, Claims, and Encumbrances, (ii) Authority to Assume and Assign Certain Executory Contracts and Unexpired Leases, and (iii) Approval of Compromise of Controversies with the SBC Affiliates [docket number 273], and the July 23, 2002 Second Supplemental Expedited Motion for (i) Approval of Sale of Assets Free and Clear of Liens, Claims, and Encumbrances, (ii) Authority to Assume and Assign Certain Executory Contracts and Unexpired Leases, and (iii) Approval of Compromise of Controversies with the SBC Affiliates [docket number 299] (collectively, the "Sale Motions") filed by Logix Communications Corporation ("LCC" or "Debtor") and Logix Communications Enterprises, Inc. ("LCE") (collectively, the "Debtors"). This Court has considered the Sale Motions, the objections filed thereto, the evidence presented

**Order Approving Sale of Assets Free and Clear of Liens, Claims
and Encumbrances and Authorizing Assumption and
Assignment of Certain Executory Contracts and Unexpired Leases**



in connection with the Sale Motions at the hearings thereon (the "Sale Hearings"), the arguments of counsel, and has determined that notice of the Sale Motions was proper under the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Local Rules of this Court.

As set forth in the Sale Motions, LCC, as Seller, has reached an agreement with Western Communications, Inc., a Texas corporation ("WCI" or "Purchaser"), as the Purchaser to sell certain assets relating to the CLEC Business of LCC (the "Assets"). The parties have entered into an Asset Purchase Agreement dated May 13, 2002, as amended (the "APA"), attached to this Order as **Exhibit "A."**

The Court hereby finds and determines that:

1. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Fed. R. Bankr. P. 7052, as made applicable to these proceedings pursuant to Fed. R. Bankr. P. 9014. To the extent that any finding of fact shall later be determined to be a conclusion of law, it shall be so deemed and vice versa.
2. The Court has jurisdiction over the Sale Motions pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (M), (N) and (O).
3. The statutory predicates for the relief requested herein are sections 105, 363 and 365 of the Bankruptcy Code and Rules 2002, 6004 and 6006 of Fed. R. Bankr. P.
4. On February 28, 2002 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code").
5. Since the Petition Date, the Debtors have operated their respective businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.
6. No trustee or examiner has been appointed in these cases.

7. The Office of United States Trustee has appointed separate Official Unsecured Creditors' Committees for LCE and LCC.

8. LCC and WCI have executed the APA, as amended.¹

9. Pursuant to the terms of the APA, LCC proposes to sell certain assets (the "Assets" as defined in Section 1.1 of the APA) and assume and assign certain executory contracts and unexpired leases to WCI. None of the Excluded Assets, as defined in Section 1.2 of the APA, are to be sold to the Purchaser and the same are retained by LCC and its bankruptcy estate.

10. The Assets will be sold for the consideration set forth in the APA.

11. On May 13, 2002, the Debtors filed their Expedited Motion for Order Approving Bidding Procedures and Establishing the Form and Manner of Notice for Sale of Assets (the "Bidding Procedures Motion").

12. On May 22, 2002, the Court signed an order approving the Bidding Procedures Motion (the "Bidding Procedures Order") and the Bidding Procedures described therein.

13. Pursuant to the terms of the Bidding Procedures Order, an Auction of the Assets was conducted on June 10, 2002. No better or higher bidder placed a bid at the Auction. Consequently, the best and highest offer for the Assets is that made by the Purchaser, the terms and conditions of which are set forth in the APA.

14. Pursuant to the APA, the Debtor has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Debtor all of the Assets for the Purchase Price.

15. As evidenced by the three separate certificates of mailing filed in connection with the Sale Motions and based on the representations of counsel at the Sale Hearings: (a) proper,

¹ Capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Asset Purchase Agreement. The Court shall resolve any conflicts between the terms of this Order and the APA.

timely, adequate and sufficient notice of the Sale Motions and the hearings on the proposed sale has been provided in accordance with sections 102(1), 363 and 365 of the Bankruptcy Code and Rules 2002, 6004, 6006, 9007 and 9014 of Fed. R. Bankr. P. and the Local Rules of this Court; (b) such notice was good and sufficient, and appropriate under the particular circumstances; and (c) no other or further notice of the Sale Motions, the hearings on the Sale Motions or the entry of this Order shall be required.

16. A reasonable opportunity to object and be heard regarding the requested relief in the Sale Motions has been afforded to all interested parties and entities.

17. The Debtor is the sole and lawful owner of the Assets.

18. The APA was proposed, negotiated and entered into by the Debtor and the Purchaser in good faith, from arm's length bargaining positions and without collusion or manipulation.

19. The Debtor and the Purchaser have at all times acted in good faith and in accordance with applicable law within the meaning of section 363(m) of the Bankruptcy Code.

20. The Purchaser is a good faith purchaser, as that term is used in section 363(m) of the Bankruptcy Code and, as such, is entitled to the rights and protections afforded thereby. No party in interest has engaged in any conduct that would cause or permit the APA or the transactions contemplated therein (including the sale of the Assets) to be voided under section 363(n) of the Bankruptcy Code.

21. Exigent business reasons exist for a sale of the Assets to the Purchaser.

22. The CLEC Business and the Assets have been adequately marketed and will lose value absent a sale.

23. The Debtor has articulated sound business reasons for entering into the APA and selling the Assets outside of a plan of reorganization. It is a reasonable exercise of the Debtor's

business judgment to consummate the APA with the Purchaser and the transactions contemplated therein. Among other things, an expeditious sale of the Assets in accordance with the procedures set forth in the Bidding Procedures Order has resulted in the highest possible price for the Assets. A sale of the Assets outside of the ordinary course of business and outside of a plan of reorganization or plan of liquidation is essential under the exigent circumstances presented in this case.

24. Upon the issuance of this Order, (i) the Debtor shall have full corporate power and authority, and is directed forthwith, to execute and deliver the APA and all other documents contemplated thereby, including the form of Management Agreement attached hereto as Exhibit "A-1" (the "Management Agreement") and the form of Escrow Agreement attached hereto as Exhibit "A-2" (the "Escrow Agreement"), and the sale of the Assets by the Debtor to the Purchaser shall be duly and validly authorized by all necessary corporate actions of the Debtor; (ii) the Debtor shall have all corporate power and authority necessary to consummate the sale contemplated by the APA and the Sale Motions; and (iii) no consents, approvals or further orders are required in order for the Debtor to consummate the sale contemplated by the APA and/or the Sale Motions.

25. Except as otherwise set forth in the APA, the Purchaser shall not assume or become liable for any liens, claims, encumbrances or interests relating to the Assets.

26. Upon release of the Debtor's portion of the Purchase Price under the terms of the Escrow Agreement, whatever cash consideration is received by the Debtor from the Escrow Agent shall be paid into the Debtor's estate, with any liens, claims, and encumbrances attaching to such proceeds, to be held for distribution in accordance with the provisions of this Order, a Plan of Reorganization or further orders of this Court.

27. All of the requirements of section 363(b) of the Bankruptcy Code have been satisfied.

28. The Debtor should be and is hereby authorized to sell the Assets free and clear of all liens, claims, encumbrances and interests because one or more of the standards set forth in sections 363(f)(1)-(5) of the Bankruptcy Code have been satisfied.

29. The holders of liens, claims, encumbrances and interests who did not object, or who withdrew their objections to the Sale Motions are deemed to have consented to the requested relief and the proposed free and clear sale under section 363(f)(2) of the Bankruptcy Code. Notwithstanding any objections by the holders of any claims, encumbrances and interests within one or more of the subcategories of section 363(f) of the Bankruptcy Code, the Court may approve a sale free and clear because the parties asserting liens in the Assets could be compelled to accept a money satisfaction of such interests. Such parties are adequately protected by having their liens, claims, encumbrances and/or interests, if any, attach to the cash proceeds of the sale transaction contemplated by the APA ultimately attributable to the property in which they assert a lien, claim, encumbrance and/or interest.

30. The transfer of the Assets is in exchange for consideration being paid by the Purchaser that constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code, the laws of the United States and any state, territory, possession or the District of Columbia.

31. The transfer of the Assets to the Purchaser is or will be a legal, valid and effective transfer of the Assets, notwithstanding any requirement for approval or consent by any entity, as defined in section 101(15) of the Bankruptcy Code, and will vest the Purchaser with all right, title and interest in and to the Assets, free and clear of all liens, claims, encumbrances and interests.

32. The transfer of the Assets, including, without limitation, the Customers and their accounts, does not and will not subject the Purchaser to any liability by reason of such transfer under the laws of the United States, any state, territory or possession thereof or the District of Columbia based, in whole or in part, directly or indirectly, on any theory of law, including, without limitation, any theory of successor or transferee liability.

33. The Debtor has satisfied and fulfilled the requirements for the assumption and assignment of the Assumed Contracts to the Purchaser as set forth in section 365 of the Bankruptcy Code and its case law.

34. The Debtor's assumption and assignment to the Purchaser of the Assumed Contracts is in the Debtors' best economic interest because the assumption and assignment is an integral part of the sale of the Assets.

35. To the extent that the Debtor can assume and assign contracts and unexpired leases to the Purchaser in connection with the APA, the estate will eliminate future obligations for such contracts and generate cash to satisfy the claims of creditors.

36. The Purchaser has provided adequate assurance of its future performance of Assumed Contracts within the meaning of sections 365(b) and 365(f) of the Bankruptcy Code.

37. The Assumed Contracts will be transferred to, and remain in full force and effect for the benefit of the Purchaser in accordance with their respective terms notwithstanding any provision in such Assumed Contracts that prohibits, restricts or conditions such assignment or transfer; *provided however*, that such prohibition, restriction or condition of assignment or transfer shall be negated only with respect to transfers and assignments by the Debtor to the Purchaser effected pursuant to the APA and this Order, and that such prohibitions, restrictions, conditions of assignment or transfer shall otherwise remain in full force and effect and a part of the Assumed Contracts so assigned and transferred.

38. The amounts listed on Exhibit "B" hereto under the column "Net Cure Amount as of July 22, 2002" (the "revised Preliminary Draft of Section 1.5 as of July 22, 2002" as described in Section 1.5 and Section 5.10 of the APA) are all of the amounts that are required to be paid under section 365(b) of the Bankruptcy Code in order to cure any defaults under the Assumed Contracts and effect the assumption and assignment of the Assumed Contracts. Each counterparty to an Assumed Contract who did not object, or who withdrew its objection to the Sale Motions, is deemed to have consented under section 365(b) of the Bankruptcy Code to the requested relief and the cure amount set forth in Exhibit B hereto, and the conditions precedent to the obligation of the Purchaser set forth in Section 8.3(h) and (i) of the APA are deemed to be satisfied with respect to such counterparties.

39. The licensors of certain intellectual property that are listed on Exhibit B who did not object, or who withdrew their objections to the Sale Motions are deemed to have consented to the requested relief and the proposed transfer of the licenses and intellectual property under sections 365(c) and 363(f)(2) of the Bankruptcy Code.

40. The proposed compromise among LCC, the Purchaser and the SBC Affiliates falls within the range of reasonable outcomes and satisfies the standards of *TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414 (1968).

41. The Limited Objection to the Sale Motions filed by the SBC Affiliates has been resolved by the compromise and that certain Stipulation Among Logix Communications Corporation ("LCC"), Western Communications, Inc. ("WCI"), and Southwestern Telephone L.P. D/B/A Southwestern Bell Telephone Company ("SWBT") and Pacific Bell Telephone Company (collectively, the "SBC Affiliates") (the "SBC Affiliates Stipulation") a copy of which is attached hereto as Exhibit "C." As a result of the SBC Affiliates Stipulation, the condition

precedent to the obligation of the Purchaser set forth in Section 8.3(h) of the APA is deemed to be satisfied with respect to the SBC Affiliates.

42. The Limited Objection to the Sales Motions, Supplemental Objection and Emergency Motion to Compel Logix Communications Corporation to Assume or Reject Executory Contracts filed by the Operating Telephone Subsidiaries of Verizon Communications Inc. ("Verizon") have been resolved by that certain Stipulation and Order for Assumption and Assignment of Interconnection and Other Agreements between Logix Communications Corporation and GTE Southwest Incorporated d/b/a Verizon Southwest, for Cure of Defaults, and for Adequate Assurance of Future Performance (the "Verizon Stipulation"), a copy of which is attached hereto as Exhibit "D." As a result of the Verizon Stipulation, the condition precedent to the obligation of the Purchaser set forth in Section 8.3(h) of the APA is deemed to be satisfied with respect to Verizon.

43. The Objection of Valor Telecommunications, LLC to the Sales Motions has been resolved by that certain Stipulation between Logix Communications Corporation and Valor Telecommunications entered by this Court on July 16, 2002 [docket number 293], a copy of which is attached hereto as Exhibit "E." As a result of the Valor Stipulation, the condition precedent to the obligation of the Purchaser set forth in Section 8.3(h) of the APA is deemed to be satisfied with respect to Valor.

44. The Objection of Nortel Networks Inc. ("Nortel") to the Sales Motions has been resolved pursuant to that certain confidential letter agreement by and between Nortel and WCI, pursuant to which Nortel has, among other things, consented to the transfer of Nortel's software licenses to WCI. Nortel's counsel announced the withdrawal of the objection at the July 25, 2002 hearings on the Sale Motions. As a result of the confidential letter agreement, the Debtor is authorized to assume and assign to WCI the Nortel software licenses as part of the Assumed

Contracts under the APA, and the conditions precedent to the obligation of the Purchaser set forth in Section 8.3(h) and (i) of the APA are deemed to be satisfied with respect to Nortel.

45. The Limited Objection of Microsoft Corporation ("Microsoft") to the Sales Motions has been resolved pursuant to that certain letter agreement dated July 24, 2002 (the "Microsoft Agreement"), a copy of which is attached hereto as Exhibit "F." As a result of the Microsoft Agreement, the conditions precedent to the obligation of the Purchaser set forth in Section 8.3(h) and (i) of the APA are deemed to be satisfied with respect to Microsoft.

46. The Limited Objection of Tellabs Operations, Inc. ("Tellabs") to the Sales Motions has been resolved pursuant to that certain letter agreement dated July 9, 2002 by and among, Tellabs, LCC and WCI (the "Tellabs Agreement"), a copy of which is attached hereto as Exhibit "G." LCC is authorized and directed to pay to Tellabs the Remaining Reclamation Claim as set forth in the July 9, 2002 letter agreement. As a result of the Tellabs Agreement and upon such payment, the Debtor is authorized to assume and assign to WCI the Tellabs software license as part of the Assumed Contracts under the APA, and the conditions precedent to the obligation of the Purchaser set forth in Section 8.3(h) and (i) of the APA are deemed to be satisfied with respect to Tellabs.

47. The objections of El Paso Networks, L.L.C. ("El Paso") to the Sale Motions have been resolved pursuant to that certain First Amended Stipulations and Unopposed Order dated August 6, 2002 [docket number 318] (the "El Paso Stipulations"), a copy of which is attached hereto as Exhibit "H." The terms of the El Paso Stipulations are hereby incorporated into this Sale Order and approved by the Court as the agreement of the parties, and the conditions precedent to the obligation of the Purchaser set forth in Section 8.3(h) and (i) of the APA are deemed to be satisfied with respect to El Paso.

48. The Objection of Qwest Communications Corporation ("Qwest") to the Sale Motions is overruled with respect to the assumption and assignment of the Qwest agreements relating to account numbers 378808170 and 51517148; provided, however, the Court will conduct an evidentiary hearing on September 25, 2002 at 2:00 p.m. to determine the proper cure amount relating to the assumption and assignment of the agreements related to such accounts; provided, further that the Purchaser retains its right to exclude the Qwest agreements as provided under Sections 5.10(b) and 7.2 of the APA. The conditions precedent to the obligation of the Purchaser set forth in Sections 8.3(h)(i) and (i) of the APA are deemed to be satisfied with respect to Qwest.

49. All of the provisions of this Order are non-severable and mutually dependent.

50. The requirements of sections 363, 365(b) and 365(f) of the Bankruptcy Code and any other applicable law relating to the sale of the Assets and assumption and assignment of the Assumed Contracts have been satisfied.

51. The sale of the Assets is in the best interests of the Debtor's estate, its creditors, its Customers and its equity security holders and is otherwise in the public interest. Accordingly, it is hereby

ORDERED as follows:

1. The Sale Motions are **GRANTED**.
2. All objections to the Sale Motions or the relief requested therein that have not been withdrawn, waived or settled, and all reservations of rights included in such objections, are overruled on the merits and denied.
3. The terms and provisions of the APA, the Escrow Agreement and the Management Agreement, and the transactions contemplated therein, including, without

limitation, the transfer of the Assets by LCC to WCI as provided in the APA, are approved and authorized in all respects.

4. The SBC Affiliates Stipulation and the compromise among the Debtor, the SBC Affiliates and WCI are approved and authorized in all respects.

5. This Order shall not impose any material obligations on the Purchaser or the Debtor not contemplated by the APA.

6. The Sale Motions, the APA, the Management Agreement and the Escrow Agreement, and the transactions contemplated thereunder are approved, and the Debtor is authorized to enter into and perform its obligations under the APA, the Management Agreement and the Escrow Agreement and to take such action as is necessary to effectuate the terms of such agreements without any further authorization.

7. The Debtor and the Purchaser are directed to comply with all provisions of the APA, the Management Agreement and the Escrow Agreement.

8. The sale of the Assets by the Debtor to the Purchaser shall be and hereby is free and clear of all liens, claims, encumbrances and/or interests that may exist as of the date of the Final Closing pursuant to section 363(f) of the Bankruptcy Code. Any such liens, claims, encumbrances and/or interests shall attach to the proceeds of the sale to be held by the Debtor for distribution in accordance with the provisions of this Order, the stipulations and letter agreements attached hereto, a plan of reorganization or further orders of this Court.

9. Upon the Final Closing of the sale, all persons holding any liens, claims, encumbrances, and interests against Assets or the Debtor in respect of the Assets shall be forever barred and estopped from pursuing, asserting, or otherwise prosecuting such liens, claims, encumbrances, and interests against the Assets or the Purchaser. This Order may be filed of

record or otherwise registered and shall constitute conclusive evidence of the release of such liens, claims, encumbrances, and interests against the Assets and the Purchaser.

10. As of the date of this Order, the Debtor has good and indefeasible title to the Assets.

11. The transfer of the Assets by the Debtor to the Purchaser shall vest the Purchaser with good and indefeasible title to the Assets free and clear of all liens, claims and encumbrances (including, without limitation, liens, claims and encumbrances (i) that purport to give to any entity, as defined in section 101(15) of the Bankruptcy Code, a right or option to effect any forfeiture, modification, right of approval, right of first refusal, repurchase or termination of the Debtor's or the Purchaser's interest in the Assets or any similar rights or (ii) in respect of Taxes), except those expressly assumed by the Purchaser under the APA, and any liens, claims or encumbrances which exist prior to the Final Closing or which arise as a result of any Debtor's Employee Benefit Plan shall attach only to the Purchase Price paid to the Debtor.

12. Upon receiving necessary Federal Communications Commission and state utility commission regulatory approvals to provide local and long distance telecommunications services, the Purchaser is authorized to be designated as the local service provider and the presubscribed inter-exchange carrier ("IXC") for all Customers of the Debtor as of the Closing, and the Purchaser will have all legal rights to implement such designation immediately following the expiration of the FCC and state commissions' prescribed customer notice period and without Customer consent.

13. Other than the SBC Affiliates and Verizon, any other carrier currently providing network services to the Debtor or any sales agent or distributor currently under contract to the Debtor is prohibited from directly interfering with, taking action or impairing (i) the transfer of Customers to the Purchaser or (ii) the transfer of Customers to any underlying carrier designated

by the Purchaser, subject only to the rights of the Customers to choose their own carriers and any regulatory requirements.

14. Pursuant to section 365 of the Bankruptcy Code, the Debtors are authorized to assume and assign to the Purchaser the Assumed Contracts as of the Final Closing Date.

15. Except for the determination of the Qwest cure obligation as set forth in paragraph 48 above, the amounts listed on **Exhibit "B"** hereto under the column "Net Cure Amount as of July 22, 2002" (the "revised Preliminary Draft of Section 1.5 as of July 22, 2002" as described in Section 1.5 and Section 5.10 of the APA) are fixed and determined to be all of the amounts that are required to be paid under section 365(b) of the Bankruptcy Code in order to cure any defaults under the Assumed Contracts and effect the assumption and assignment of the Assumed Contracts (the "Cure Amounts"), subject to the SBC Affiliates Stipulation and subject to the Debtor paying \$13,965.78 and the Purchaser paying \$83,331.78 of the \$97,297.56 total cure amount for Cox Communications listed in Exhibit B. Subject to the Purchaser's right to exclude additional Seller Contracts under Sections 5.10(b) and 7.2 of the APA, the Purchase Price paid by the Purchaser to the Debtor shall include the Cure Amounts, as more particularly set forth in Section 1.5 of the APA. The Cure Amounts and payments under the stipulations referred to herein, including the SBC Settlement Amount of \$4,800,000, shall be paid to those payees free and clear of all liens, claims and encumbrances arising by, through or under the Debtor.

16. All defaults of the Debtor under the Assumed Contracts arising or accruing prior to the Final Closing (without giving effect to any acceleration clauses or any default provisions in such contracts of a kind specified in section 365(b)(2) of the Bankruptcy Code) have been cured or will be promptly cured by the Debtor as provided in Section 1.5(b)(iv) such that Purchaser shall have no liability or obligation with respect to any default or obligation arising or

accruing prior to the Final Closing, except as may otherwise be specifically agreed as set forth in the APA.

17. Any actual pecuniary loss resulting from a default by the Debtor with respect to the Assumed Contracts has been or will be promptly compensated by the Debtor to the extent ordered by this Court such that the Purchaser shall have no liability or obligation with respect to any default or obligation arising or accruing prior to the Final Closing.

18. The Assumed Contracts (other than Excluded Liabilities) will be transferred to and remain in full force and effect for the benefit of the Purchaser, notwithstanding any provisions in such Assumed Contracts or in applicable law (including, without limitation, those described in sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibit, restrict or limit in any way such assignment or transfer.

19. The intellectual property licensed to the Debtor listed in Exhibit B will be transferred to and remain in full force and effect for the benefit of the Purchaser, notwithstanding any provisions in licenses or in applicable law (including, without limitation, those described in sections 365(c) and (f) of the Bankruptcy Code) that prohibit, restrict or limit in any way such assignment or transfer.

20. The conditions precedent to the obligations of the Purchaser set forth in Section 8.3(h) and (i) of the APA are deemed to be satisfied with respect to all entities referenced in paragraphs 38, and 41 to 48 of the findings of fact set forth above.

21. This Order and the APA shall be binding on, and shall inure to the benefit of, the Debtor, the Purchaser, and their respective successors and assignors, including without limitation any trustee appointed for the Debtor in this chapter 11 case or any trustee appointed in a chapter 7 case if the Debtor's case is converted from chapter 11.

22. The APA is not a *sub rosa* chapter 11 plan for which approval has been sought without the protections that a disclosure statement would afford, and is not in violation of creditors' and equity security holders' voting rights.

23. The Purchaser shall be entitled to the rights and protection of section 363(m) of the Bankruptcy Code if this Order or any authorization contained herein is reversed or modified on appeal. The purchase by the Purchaser is a purchase in good faith for fair value within the meaning of section 363(m) of the Bankruptcy Code. Accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the APA and sale shall not affect the validity of the sale to the Purchaser, unless such authorization is duly stayed pending such appeal prior to the closing of the APA.

24. The sale approved pursuant to this Order is not subject to avoidance under section 363(n) of the Bankruptcy Code. The consideration the Purchaser provided for the Assets under the APA shall be deemed to constitute reasonably equivalent value and fair consideration.

25. The Debtor is authorized and directed to execute, acknowledge and deliver, and empowered and directed fully to perform under, consummate and implement the APA, the Management Agreement and the Escrow Agreement, together with such other documents and instruments of transfer and to take such other action that may be reasonably necessary to perform the terms and provisions of the APA, the Management Agreement and the Escrow Agreement without further order of this Court.

26. Upon Final Closing (except as may be required earlier as part of the regulatory approval process), the Debtor shall transfer all of its rights to the "Logix Communications" name and all trademarks, ACNAs, OCNs, CLLI codes and any other unique codes (to the extent such codes have not been assigned by Telcordia or NECA to WCI) necessary for provisioning and operation of the CLEC Business to the Purchaser. Further, the Debtor shall cease to operate as

"Logix Communications" and shall change its corporate name; provided however, that the Debtor may use the name "Logix" with respect to the operations of its fiber division for a period of 120 days following the Final Closing. The Debtor shall also amend all state and local franchises and all state certifications it holds that authorize it to provide telecommunications service under the "Logix Communications" name to reflect the change in corporate name.

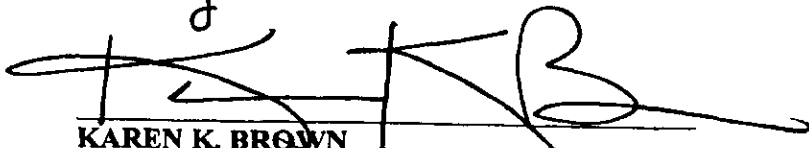
27. Each and every federal, state or local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by this Order and the APA.

28. The APA, the Management Agreement and the Escrow Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of this Court, provided that any such modification, amendment or supplement is not material.

29. In accordance with Fed. R. Bankr. P. 6004(g), 6006(d) and 7062, this Order shall be effective and enforceable immediately upon entry to the extent that this Order is not subject to any stay.

30. Except as otherwise provided in the SBC Affiliates Stipulation, the Court shall retain jurisdiction to enforce the provisions of this Order, the APA, the Management Agreement and the Escrow Agreement and to resolve any dispute concerning the same, or the rights and duties of the parties or any issues relating to the Order, the APA, the Management Agreement and the Escrow Agreement, including but not limited to the interpretation of the terms, conditions and provisions thereof, and the status, nature and extent of the Assets, and all issues and disputes arising in connection with the relief authorized herein.

SIGNED this 30th day of Aug, 2002.


KAREN K. BROWN
UNITED STATES BANKRUPTCY JUDGE

HOUSTON_1\594988\1
21610-10 08/30/2002

EXHIBIT A 69 PAGES (AGREEMENTS)

ASSET PURCHASE AGREEMENT MAY 13, 2002

AMENDMENT NO. 1 TO ASSET PURCHASE AGREEMENT MAY 23, 2002

AMENDMENT NO. 2 TO ASSET PURCHASE AGREEMENT

SELLER DISCLOSURE SCHEDULE AUGUST 30, 2002 (VOLUMINOUS)

PURCHASER DISCLOSURE SCHEDULE AUGUST 30, 2002 (3 PAGES)

EXHIBIT A-1	16 PAGES	- MANAGEMENT AGREEMENT
EXHIBIT A-2	10 PAGES	- ESCROW AGREEMENT
EXHIBIT B	10 PAGES	REVISED PREM. DRAFT OF SECTION 1.5
EXHIBIT C	15 PAGES	SBC AFFILIATES STIPULATION
EXHIBIT D	11 PAGES	VERIZON STIPULATION
EXHIBIT E	6 PAGES	VALOR STIPULATION
EXHIBIT F	4 PAGES	MICROSOFT LETTER AGREEMENT
EXHIBIT G	26 PAGES	TELLABS LETTER AGREEMENT
EXHIBIT H	5 PAGES	EL PASO STIPULATION

Exhibit D
Designated as **HIGHLY CONFIDENTIAL**
filed under seal

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September 6, 2002

Via Federal Express
(202) 418-0300

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
9300 East Hampton Drive
Capitol Heights, Maryland 20743

RE: CC Docket No. 00-257

Dear Ms. Dortch:

Pursuant to the streamlined procedures of Section 64.1120(e)(1) of the Commission's Rules, 47 C.F.R. § 64.1120(e)(1), Western Communications, Inc d/b/a Logix Communications, by its attorneys, hereby notifies the Commission of the planned transfer of the subscribers of Logix Communications Corporation to Logix Communications. Logix Communications Corporation customers will be transferred to Logix Communications after all required regulatory approvals are received and all affected customers have been provided with 30-day notice of the transfer. The parties expect to transfer all Logix Communications Corporation customers to Logix Communications on or after October 5, 2002. Logix Communications will continue to provide Logix Communications Corporation customers with the same local, long distance, and data telecommunication services formerly provided by Logix Communications Corporation.

By this notification letter, Logix Communications certifies compliance with the advance subscriber notification requirements of Section 64.1120(e)(3) of the Commission's rules, 47 C.F.R. § 64.1120(e)(3). The attached notice letter is being sent to Logix customers in Arkansas, Kansas, Missouri, Oklahoma, and Texas.

I am enclosing a self-addressed, stamped envelope so that you may return to me a file-stamped copy of this letter. If you have questions or need additional information about the filing, please contact me at (512) 225-0027.

Sincerely yours,


Bradford W. Bayliff

Enclosure





September 5, 2002

«coname»
«fullname»
«address»
«city», «st» «zip»

Dear LOGIX Customer:

On April 26, 2002, I sent out a letter giving an update on the status of LOGIX Communications Corporation (LOGIX). What a response! It was good to hear from all of you who contacted me. Most of the comments were great and some weren't so great but they all provided valuable feedback. The groundswell of support was overwhelming. – Thank you!

Things at LOGIX continue to progress at a rapid pace. We have continued to add hundreds of new customers and thousands of phone lines while producing positive results month after month. We also rolled out some exciting tools allowing customers to administer changes to their e-mail accounts via our Web page. We are continuing to refine, develop and expand our efforts to be the easiest telecom company to do business with.

I am pleased to report that we have made significant progress toward ending the LOGIX bankruptcy. Western Communications Inc. was formed to purchase the LOGIX assets and going forward will do business as Logix Communications. We expect to complete the transaction by the end of September. After this transaction, Logix Communications will stand as a growing, debt free, profitable, competitive telecommunications provider that will be well positioned to serve your future needs.

Logix Communications purchase of LOGIX assets will not affect your account in any way.
Your pricing, rates, and services will not change as a result of this transaction.

FCC and Public Utility Commission regulations require that when an asset sale of this type occurs the following information be sent to all customers.

No action is required on your part for your account to remain as is.

Pursuant to an asset purchase agreement approved by the Bankruptcy Court Logix Communications agreed to acquire the CLEC assets of LOGIX and will continue to serve all LOGIX customers. Logix Communications will continue to honor any existing service agreements, including long-term contracts and rates. You will be notified with a billing insert or a separate mailing of any changes in our service offerings, rates or conditions of service before any changes go into effect.

You have the right to select any local service provider and preferred long distance carrier or you can remain with Logix Communications as your provider. All customers, even those who have arrangements for Preferred Interexchange Carrier (PIC) freezes, will transfer to Logix Communications, unless they select another carrier. All existing PIC freezes will be lifted when the account is transferred – you must contact your local service provider if you want to arrange a new PIC freeze. If you do not select another company by October 5th, your account will transfer to the new Logix Communications and Logix Communications will provide service with no changes to you or the way you use your telephone.

If you select another provider, you should contact that company immediately to ensure your service is transferred. You may incur a charge if you select another provider. Logix Communications will be responsible for any long distance carrier charges associated with the transfer of your account to another long distance provider. Logix Communications will be responsible for handling any complaints filed, or otherwise raised, prior to or during the transfer.

For questions please call customer service @ (800) 444-0258.

Your continued confidence in Logix Communications is something we don't take for granted. Our goal is to have you more satisfied than ever with your decision to allow Logix Communications to serve your telecommunication needs. Thank you for your trust, confidence and continued support.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Asmus".

Matt Asmus
Chief Operating Officer
LOGIX Communications Corporation

A handwritten signature in black ink, appearing to read "Ron Henriksen".

Ron Henriksen
President
Western Communications, Inc. d/b/a Logix Communications