

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
McLEODUSA INCORPORATED,)	
)	Case No. 02-10288 (EIK)
Debtor.)	
)	(Jointly Administered)
)	Related Document: 250

**ORDER GRANTING FINAL APPLICATION OF
HOULIHAN LOKEY HOWARD & ZUKIN CAPITAL FOR INTERIM
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD FEBRUARY 1, 2002 THROUGH APRIL 15, 2002**

This matter coming before the Court on the Final Application for Compensation and Reimbursement of Expenses for the Period February 1, 2002 through April 15, 2002 (the "Application") filed by Houlihan, Lokey Howard & Zukin Capital ("Houlihan Lokey"), financial advisor to the above-captioned Debtor; the Court having reviewed the Application and all pleadings relating thereto; and the Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein;

THE COURT HEREBY FINDS THAT:⁽¹⁾

- A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.
- B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

⁽¹⁾ Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Application.

C. The Application complies, as applicable, with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules for the Bankruptcy Court for the District of Delaware and the Orders of this Court.

D. Houlihan Lokey's requested interim compensation for services rendered in connection with its representation of the Debtor during the Application Period is reasonable and appropriate under sections 328 and 331 of the Bankruptcy Code.

E. Houlihan Lokey's expenses incurred during the Application Period for which it seeks reimbursement were actual and necessary expenses under sections 330(a) (1)(B) and 331 of the Bankruptcy Code.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Application is GRANTED.
2. Houlihan Lokey's request for a final allowance of compensation of \$14,614,216.27 and reimbursement for expenses of \$5,805.02 for the Application Period is hereby approved.
3. The Debtors are hereby authorized and directed to pay Houlihan Lokey the foregoing approved fees and expenses.

Dated: Aug 6, 2002


UNITED STATES BANKRUPTCY JUDGE