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**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

<b>In re:</b>	§	<b>Case No. 04-81694-SAF</b>
<b>VARTEC TELECOM, INC., et al.,</b>	§	<b>Chapter 11</b>
	§	
<b>Debtors.</b>	§	<b>(Jointly Administered)</b>

**MOTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
PURSUANT TO 11 U.S.C. §§ 105 AND 503(B)(3)(F) FOR  
REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES**

**TO: THE HONORABLE STEVEN A. FELSENTHAL  
UNITED STATES BANKRUPTCY JUDGE**

The Official Committee of Unsecured Creditors (the “Committee”) hereby files this Motion Pursuant to 11 U.S.C. §§ 105 and 503(b)(3)(F) for Reimbursement of Actual and Necessary Expenses (the “Motion”) pursuant to sections 105 and 503(b)(3)(F). In support of this Application, the Committee respectfully states as follows:

**I. JURISDICTION AND VENUE**

1. This Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The relief requested in this Application is authorized under 11 U.S.C. §§ 105 and 503(b)(3)(F).

## II. PROCEDURAL BACKGROUND

2. On November 1, 2004, (the “Petition Date”), the above-referenced debtors and debtors in possession (collectively “the Debtors”)<sup>1</sup> filed its voluntary petition for relief under Chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in this Court.

3. Since the Petition Date, the Debtors have continued to operate its business and manage its assets as debtor in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

4. On November 5, 2004, the Court entered the Amended Order Establishing Procedures for Monthly and Interim Compensation and Reimbursement of Expenses for Case Professionals (the “Fee Procedure Order”). The Fee Procedure Order established procedures for compensation of case professionals retained in this case, but the Fee Procedure Order did not establish procedures for the reimbursement of actual and necessary expenses incurred by the members of the statutory committees that may be appointed under the Bankruptcy Code.

5. On November 8, 2004, the United States Trustee conducted a meeting (the “Committee Formation Meeting”) to appoint the Official Committee of Unsecured Creditors (the “Committee”) in this case.

6. The individual creditors incurred expenses traveling to and participating at the Committee Formation Meeting in order to be appointed as members of the Committee.

7. At the Committee Formation Meeting, the United States Trustee appointed eleven creditors to serve on the Committee. The members of the Committee included: AT&T Corp.; Bell South Corporation; MCI, Inc.; NTS Communications, Inc.; Qwest Corporation; SBC

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<sup>1</sup> The Debtors include VarTec Telecom, Inc., Excel Communications Marketing, Inc., Excel Management Service, Inc., Excel Products, Inc., Excel Telecommunications, Inc., Excel Telecommunications of Virginia, Inc., Excel Teleservices, Inc., Excelcom, Inc., Telco Communications Group, Inc., Telco Network Services, Inc., VarTec

Industry Markets; Specialty Outsourcing Solutions, Ltd.; Teleglobe Telecom Corporation; Unipoint Holdings; Valor Telecommunications Enterprises, L.L.C.; and Visionquest Marketing Services, Inc. The United States Trustee has filed several amendments after certain members resigned from the Committee. On March 8, 2005, the United States Trustee filed the Third Amended Appointment of Official Unsecured Creditor's Committee. The members of the Committee include: AT&T Corp.; Bell South Corporation; MCI, Inc.; Qwest Communications Corp.; SBC Industry Markets; and Teleglobe Telecom Corporation.

8. On December 20, 2004, the Court signed the Final Order Pursuant to Section 1103 of the Bankruptcy Code Authorizing the Employment of Carrington, Coleman, Sloman & Blumenthal, L.L.P. ("CCSB") as Attorneys for the Official Committee of Unsecured Creditors.

9. On December 21, 2004, the Committee conducted an official all day meeting at CCSB's offices in Dallas.

10. CCSB strongly recommended an all day, in person Committee meeting in Dallas in order for the Committee to meet with the Debtors' representatives, listen to presentations from the Committee's financial advisors, and to participate in discussion and case analysis with counsel from CCSB.

11. Many of the Committee members had to incur necessary out of pocket travel costs in order to attend this official Committee meeting in Dallas.

12. On February 25, 2005, the Court entered the Order Granting Motion of the Official Committee of Excel Independent Representatives Pursuant to 11 U.S.C. §§105 and 503(b)(3)(F) for Reimbursement of Actual and Necessary Expenses, (the "Committee Expense

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Business Trust, VarTec Properties, Inc., VarTec Resource Services, Inc., VarTec Solutions, Inc., VarTec Telecom Holding Company, VarTec Telecom International Holding Company, and VarTec of Virginia, Inc.

Order”). The Committee Expense Order directed that statutory committees follow the procedure requirements of the Fee Procedure Order.

13. On, March 7, 2005, CCSB followed the requirements of the Fee Procedure Order and sent Committee Member receipts to the parties identified in the Fee Procedure Order. A copy of the receipts themselves are not attached but will be provided to parties in interest upon the receipt of a written request sent to Carrington, Coleman, Sloman & Blumenthal, L.L.P., Attn: Kathy Miller, Paralegal, 200 Crescent Court, Suite 1500, Dallas, Texas 75201.

14. The Committee has slightly modified the amount originally requested on March 7, 2005, by reducing one of the reimbursement requests by \$9.00 in order to comply with the Local Rules. The corrected amount requested is on Exhibit “A” hereto

15. To CCSB’s knowledge, no Committee member has been paid the requested fees.

### **III. RELIEF REQUESTED**

16. By this Motion, the Committee seeks an order directing the Debtors to reimburse the actual and necessary expenses incurred by the individual Committee members as of this date, which reimbursement should be forwarded by the Debtors to the Committee members at the addresses and in the amounts listed on Exhibit “A,” within five (5) business days after the entry of an order approving this Motion.

### **IV. BASIS FOR RELIEF**

17. Pursuant to Section 503(b)(3)(F), a member of a statutory committee can seek reimbursement, as an administrative expense, for expenses incurred in performance of the duties of the committee.

18. The expenses listed on Exhibit "A" hereto were incurred by the Committee members in attending the Committee Formation Meeting on November 8, 2004; and thus fall within the provisions of Section 503(b)(3)(f).

19. The expenses listed on Exhibit "B" hereto were incurred by the Committee members in attending the Committee meeting on December 21, 2004; and thus fall within the provisions of Section 503(b)(3)(f).

V. **CONCLUSION**

**WHEREFORE**, the Committee respectfully requests that the Court enter an order (i) directing the Debtors to reimburse the actual and necessary expenses of the Committee members, and (ii) granting such other relief as is just and proper.

Dated: March 18, 2005.

*/s/ Stephen A. Goodwin*

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**CERTIFICATE OF SERVICE**

The undersigned does hereby certify that, on March 18, 2005, a true and correct copy of the foregoing *Motion* has been served, via ECF and/or regular United States Mail, postage-prepaid, on the parties on the Master Service List (*as of February 11, 2005*):

/s/ Rachel P. Ragni  
Rachel P. Ragni

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