



ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET

The following constitutes the order of the Court.

Signed July 11, 2005


United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:

VARTEC TELECOM, INC., *et al.*,

DEBTORS.

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§

CASE NO. 04-81694-SAF-11

(Chapter 11)
(Jointly Administered)

**ORDER APPROVING COMPROMISE AND
SETTLEMENT WITH UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**

On July 7, 2005, the Court considered the Motion to Approve Compromise and Settlement with Universal Service Administrative Company [Docket No. 1383] (the "Motion")¹ filed by the above-referenced debtors and debtors in possession (collectively, the "Debtors"). The Court finds that the relief requested in the Motion is in the best interest of the Debtors' estates and creditors, that the Settlement is fair and equitable and that adequate notice of this Motion has been given and no other notice needs to be given. Therefore, it is

ORDERED that the Motion is in all things **GRANTED**. It is further

¹ Capitalized terms not defined herein shall have the meaning given to them in the Motion.

ORDERED that the Agreement and Settlement are approved. It is further

ORDERED that effective upon the entry of this Order, USAC shall be permitted to reduce the 2004 True Up Credit by (i) the Invoice Amounts and (ii) the 2005 True Up Adjustment. It is further

ORDERED that within eleven days after the entry of this Order, VarTec Telecom shall remit to USAC \$173,111.00. It is further

ORDERED that the releases to be provided under the Agreement are approved. It is further

ORDERED that within five business days after the entry of this Order, the Debtors shall pay RTFC \$2,355,216.00 on account of the March 2005 Invoice, April 2005 Invoice, and the remaining balance of the 2004 True Up Credit after application of the Invoice Amounts.

END OF ORDER

Upon entry, return copy to:

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