



ATTORNEYS & COUNSELORS

KANE RUSSELL COLEMAN & LOGAN, P.C.

Invoice Date: 04/15/05

Invoice No.: 233676

File No.: 43670.00002.000

**Michael G. Hoffman, Chief Legal Officer**

VarTec Telecom, Inc.  
2440 Marsh Lane  
Carrollton, TX 75006

**File Description: SBC**

**PROFESSIONAL CHARGES**

**Case Administration**

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/01/05	Joseph M. Coleman	Exchange email with D. Bennett regarding rejection of leases(.1).	0.10	40.00
03/02/05	Joseph M. Coleman	Examine numerous emails regarding new agreement and March 11 deadline regarding FCC ruling(.3); Telephone conference with P. Zacharie and Holly regarding regulatory issues, alternative solutions, admin expense issues and Committee's position(.8); Examine new agreement and ICA regarding "New Law" clause(.3); Exchange email with D. Bennett regarding same(.2); Follow up with M. Scanlon regarding ICA and "New Law" provisions(.3).	1.90	760.00
03/03/05	Michael L. Scanlon	Review pleadings received (0.2)	0.20	50.00
03/04/05	Robert J. Taylor	Telephone calls to and from Tennessee Department of Labor regarding VarTec contact.	0.20	50.00
03/04/05	Michael L. Scanlon	Review agenda for March 7, 2005 hearings (0.1)	0.10	25.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/04/05	Theresa Garcia	Preparation and organization of e-mail communication relating to commercial agreement (2.7); Obtain case docket and Agenda relating to hearing (0.2)	2.90	261.00
03/04/05	Michael L. Scanlon	Review pleadings received (0.1)	0.10	25.00
03/06/05	Joseph M. Coleman	Exchange voice mails with B. Wallander regarding new agreements (.1); Examine email from M. Drennan and email from M. Scanlon regarding forwarding new commercial agreement to the committee and confidentiality agreement related thereto (.1).	0.20	80.00
03/07/05	Joseph M. Coleman	Examine recent pleadings.	0.10	40.00
03/08/05	Joseph M. Coleman	Telephone conference with D. Bennett regarding rejection, Mo. Litigation and offset issues (.2).	0.20	80.00
03/08/05	Joseph M. Coleman	Review pleadings (.1); Examine post petition netting dispute documentation (.1).	0.20	80.00
03/08/05	Michael L. Scanlon	Review correspondence and pleadings received (0.2)	0.20	50.00
03/09/05	Theresa Garcia	Prepare and organize notebook of documents relating to Commercial Agreement (0.7)	0.70	63.00
03/10/05	Joseph M. Coleman	Extended telephone conference with M. Drennan re rejection of contracts, new Commercial Agreement, and related issues (.7).	0.70	280.00
03/10/05	Theresa Garcia	Organization of notebook relating to documentation of Commercial Agreement (1.0)	1.00	90.00
03/10/05	Michael L. Scanlon	Review pleadings received (0.2)	0.20	50.00
03/11/05	Theresa Garcia	Docket critical hearing dates and deadlines relating to Motion of Executory Contracts (0.2)	0.20	18.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/14/05	Joseph M. Coleman	Follow up regarding new agreement and rejection issues (.4).	0.40	160.00
03/15/05	Joseph M. Coleman	Follow up on rejections of Cleveland Ring Center contract and applicable witness and exhibit list; Strategize regarding new agreement (.4).	0.40	160.00
03/15/05	Joseph M. Coleman	Review recent pleadings (.1).	0.10	40.00
03/15/05	Michael L. Scanlon	Review pleadings received (0.1)	0.10	25.00
03/16/05	Michael L. Scanlon	Review pleadings received (0.2); update Mr. Coleman concerning pending issues (0.1)	0.30	75.00
03/16/05	Joseph M. Coleman	Follow up on fee application, rejection contract and related issues (.3).	0.30	120.00
03/17/05	Joseph M. Coleman	Examine emails regarding new agreement and rejection of contracts(.1); Follow up regarding KRCL and E. Pinker's fee app(.4)	0.50	200.00
03/18/05	Joseph M. Coleman	Exchange voice mails with B. Wallander; Follow up regarding emails on the rejection of Cleveland Ring contract (.1).	0.10	40.00
03/18/05	Joseph M. Coleman	Examine pleadings; Telephone conference voice mails to B. Wallander and M. Scanlon regarding new agreement (.1).	0.10	40.00
03/21/05	Joseph M. Coleman	Review pleadings applicable to Wednesday's hearing; Review recently-filed pleadings(.1).	0.10	40.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/21/05	Joseph M. Coleman	Telephone conference with B. Wallander regarding issues applicable to Carriers generally (.3); telephone conference with D. Bennett regarding setoff, mis-routing and the new agreement to supersede the ICA (.3); Examine email from P. Zacharie regarding regulatory issues (.1); Examine new pleadings (.1).	0.80	320.00
03/21/05	Michael L. Scanlon	Review pleadings received (0.1)	0.10	25.00
03/22/05	Michael L. Scanlon	Review pleadings received (0.1)	0.10	No Charge
03/22/05	Joseph M. Coleman	Draft status report to M. Drennan(.3).	0.30	120.00
03/22/05	Joseph M. Coleman	Review recently filed pleadings (.1).	0.10	40.00
03/23/05	Michael L. Scanlon	Review correspondence and pleadings received (0.2)	0.20	50.00
03/24/05	Michael L. Scanlon	Review pleadings received (0.1)	0.10	No Charge
03/28/05	Joseph M. Coleman	Email M. Drennan regarding Addendum A to the contract and related issues (.1); Confer with M. Scanlon regarding open issues (.1).	0.20	80.00
03/29/05	Michael L. Scanlon	Review pleadings received (0.1)	0.10	25.00
03/30/05	Joseph M. Coleman	Examine emails and recently filed pleadings (.2); Teleconference with M. Scanlon regarding carrier stipulation (.1).	0.30	120.00
03/30/05	Michael L. Scanlon	Review pleadings received (0.1)	0.10	25.00
03/31/05	Joseph M. Coleman	Review pleadings (.1).	0.10	40.00
03/31/05	Michael L. Scanlon	Review pleadings received (.1)	0.10	25.00
Total			14.20	\$3,812.00

### Asset Analysis and Recovery

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/01/05	Joseph M. Coleman	Telephone conference with P. Zacharie regarding issues involving "netting" of B&C charges(.1); Examine several emails regarding same(.2); Examine Carrier Stipulation(.6); Confer with B. Wallander regarding Carrier Stipulation(.2); Follow up emails to VarTec regarding needed information(.2); Factual investigation regarding netting of B&C claims by SBC(.9).	2.20	880.00
03/02/05	Joseph M. Coleman	Analysis of potential wrongful setoffs by SBC postpetition(.3).	0.30	120.00
03/07/05	Joseph M. Coleman	Telephone conference with J. Schissler regarding SBC's netting postpetition(.3); Email regarding same(.1); Follow up regarding netting issue(.1).	0.50	200.00
03/08/05	Joseph M. Coleman	Telephone conference with J. Schissler regarding "netting issue" and send email regarding same(.3).	0.30	120.00
Total			3.30	\$1,320.00

### **Fee/Employment Applications**

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/10/05	Shannon Savage	Drafting first interim fee application and ancillary exhibits (3.8)	3.80	437.00
03/11/05	Shannon Savage	Analysis of time entries for categorization and inclusion in project category information for First Interim Fee Application (1.8); Revisions to fee application (1.3); Draft Lynn Tillotson fee application (.5)	3.60	414.00
03/11/05	Michael L. Scanlon	Review February 2005 invoice of fees and expenses to be circulated (0.6)	0.60	150.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/11/05	Joseph M. Coleman	Communicate with E. Pinker regarding fee app and start KRCL Fee App(.2).	0.20	80.00
03/13/05	Shannon Savage	Continue drafting KRCL fee application (2.3)	2.30	264.50
03/14/05	Shannon Savage	Drafting of KRCL first interim fee application and ancillary exhibits thereto (3.5)	3.50	402.50
03/15/05	Shannon Savage	Prepare first interim fee application and exhibits for Lynn Tillotson (3.6)	3.60	414.00
03/17/05	Shannon Savage	Multiple telephone conferences with Ms. Lewis regarding pre-set hearing dates and notice regarding First Interim Fee Application (.4); Multiple telephone conferences with Ms. Evora regarding LTP fee application (.4); Revisions to LTP First Interim Fee Application (1.7)	2.50	287.50
03/17/05	Michael L. Scanlon	Review and revise draft of first interim fee application and related materials for Lynn Tillotson & Pinker (1.1); prepare correspondence to Melissa Drennan regarding same (0.3); telephone conferences with Eric Pinker regarding same (0.2); review and revise draft of KRCL's first interim fee application and related materials (1.0)	2.60	650.00
03/18/05	Michael L. Scanlon	Continue preparing KRCL's first interim fee application (0.6); prepare correspondence forwarding draft of application to Ms. Drennan (0.3); revise notice of filing and hearing regarding fee applications (0.2); telephone call to Eric Pinker concerning Lynn Tillotson & Pinker interim fee application (0.1)	1.20	300.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/18/05	Shannon Savage	Revisions to KRCL first interim fee application and exhibit (1.0); Telephone conference with Mr. Petty at LTP regarding invoice copies (.2); Prepare notice of filing and hearing (.8); Multiple telephone conferences with Ms. Lewis regarding service list and updates (.3)	2.30	264.50
03/21/05	Michael L. Scanlon	Telephone conference with Melissa Drennan concerning matter relating to fee application by VarTec Missouri special counsel (0.1); telephone conference with Scott Kreamer regarding special counsel fee application (0.2); telephone conferences with Eric Pinker regarding fee application status (0.2); continue preparing KRCL first interim fee application (1.0); perform legal research regarding anticipated form of KRCL interim fee application (0.6); prepare correspondence to Mr. Kreamer regarding amended court order on interim compensation (0.3)	2.40	600.00
03/21/05	Shannon Savage	Telephone conference and e-mail exchange with P. Lewis regarding KRCL and LTP fee application amounts for inclusion in notice (.4); Finalize, prepare, file and serve KRCL and LTP fee applications (2.9); Prepare letter to Court with chamber's copy of fee applications (.3)	3.60	414.00
03/21/05	Joseph M. Coleman	Work on fee application.	0.50	200.00
03/23/05	Michael L. Scanlon	Prepare correspondence to Traci Davis, Judge Felsenthal's courtroom deputy, forwarding courtesy copies of fee applications (0.2)	0.20	50.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/30/05	Shannon Savage	Research docket, retrieve and read Amended Notice of Hearing regarding fee applications to compare to original notice (.3)	0.30	34.50
Total			33.20	\$4,962.50

### **Assumption/Rejection of Leases and Contracts**

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/01/05	Theresa Garcia	Work on Notice of hearing regarding Motion of Excel's to Reject Executory Contracts and Leases (0.5); Docket hearing dates regarding same and deadlines to witness and exhibit list (0.4)	0.90	81.00
03/01/05	Michael L. Scanlon	Review correspondence from counsel for SBC, who requested additional information regarding Cleveland, Ohio dedicated ring service contract, and telephone call to Mike Colvin regarding same (.2)	0.20	50.00
03/01/05	Michael L. Scanlon	Revise and file notice of hearing concerning motion to reject contract concerning Cleveland, Ohio dedicated ring service (0.5); telephone conference (call from) Tracy Davis, Judge Felsenthal's courtroom deputy, requesting that notice of this hearing be filed (0.1); prepare correspondence to Mike Colvin requesting additional information regarding Cleveland, Ohio dedicated ring contract (0.2)	0.80	200.00



<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/02/05	Michael L. Scanlon	Telephone calls to and from Mike Colvin clarifying additional information regarding Cleveland, Ohio dedicated ring service contract (0.1); prepare correspondence to David Bennett, counsel for SBC, concerning additional information regarding Cleveland, Ohio dedicated ring service contract (0.4); receive and respond to correspondence from Mr. Bennett regarding request for additional information, and prepare correspondence to Mr. Colvin regarding this matter (0.3)	0.80	200.00
03/03/05	Michael L. Scanlon	Telephone conference with David Bennett and Mr. Coleman concerning Cleveland dedicated ring contract (0.1); prepare correspondence to Mr. Bennett forwarding additional contract information, and attempting to arrange conference call regarding same (0.3); telephone conference with Mike Colvin to schedule conference call (0.1)	0.50	125.00
03/04/05	Michael L. Scanlon	Prepare motion to reject contract with Southwestern Bell concerning service provided via two circuits (1.2); telephone conference with Mike Colvin regarding same (0.1)	1.30	325.00
03/07/05	Michael L. Scanlon	Continue drafting motion to reject contract with Southwestern Bell Telephone concerning service via two circuits (0.8)	0.80	200.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/08/05	Michael L. Scanlon	Review correspondence from Mike Colvin approving draft of motion to reject contract with Southwestern Bell Telephone concerning service provided via two circuits (0.1); prepare correspondence to David Bennett, counsel for SBC, concerning this draft motion (0.5)	0.60	150.00
03/09/05	Michael L. Scanlon	Prepare correspondence to Ms. Drennan forwarding copy of proposed motion to reject contract between Excel Telecommunication and Southwestern Bell Telephone concerning service provided via two circuits (0.5); prepare correspondence forwarding same e-mail to Pat Zacharie (0.2)	0.70	175.00
03/10/05	Joseph M. Coleman	Follow up regarding two rejection motions and witness and exhibit lists regarding same(.2).	0.20	80.00
03/10/05	Michael L. Scanlon	Continue drafting motion to reject executory contract between Excel and Southwestern Bell Telephone concerning service provided via two circuits (0.7); prepare correspondence to Melissa Drennan concerning this motion (2.0); telephone calls to and from Mike Colvin regarding motion to reject contract between Excel Telecommunications, Inc. and Southwestern Bell Telephone concerning service provided via two circuits (0.1)	2.80	700.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/11/05	Michael L. Scanlon	Prepare notice of hearing for motion to reject contract with Southwestern Bell Telephone (0.3); continue drafting motion to reject contract between Excel Telecommunications, Inc. and Southwestern Bell concerning service provided via two circuits (0.4); file these documents with the court (0.6); calendar related deadlines (0.1); telephone conference with Mr. Coleman and Melissa Drennan concerning contract-rejection issues related to SBC contracts (0.1); prepare witness and exhibit list for motion to reject scheduled for hearing on March 23, 2005 (0.4); confirm service of motion to reject set for hearing on March 23, 2005 (0.1); work on contract-rejection matter (1.1)	3.10	775.00
03/14/05	Michael L. Scanlon	Conference with Mr. Coleman regarding "to do" list related to motion to reject Cleveland, Ohio dedicated ring contract (0.2); telephone conference with Mike Colvin regarding same (0.1); prepare correspondence to Mike Colvin regarding additional information needed regarding this contract (0.7); review correspondence from John Roberts regarding Cleveland, OH dedicated ring contract (0.1); review contract related to rejection of contract relating to two circuits (0.1)	1.20	300.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/15/05	Michael L. Scanlon	Telephone conference with Melissa Drennan regarding motion to reject contract with SBC Communications concerning Cleveland, Ohio dedicated ring contract, and exhibit and witness list relating to that motion (0.2); confer with Mr. Coleman regarding status of this motion to reject (0.1); prepare correspondence to Ms. Drennan forwarding proposed exhibit and witness list (0.2); telephone conference with David Bennett regarding this motion to reject, and concerning preparation of a proposed agreed order for same (0.3); verify exhibits to this motion as filed with the court (0.3); prepare correspondence to Mr. Bennett regarding letter of intent that is the subject of this motion to reject, and regarding preparation of proposed agreed order concerning this motion (1.0); prepare witness and exhibit list for March 23, 2005 hearing on motion to reject contract concerning Cleveland, OH dedicated ring service (0.3); verify content of exhibit filed with motion to reject Cleveland, OH dedicated ring contract (0.5); continue working to resolve this motion (0.3)	3.20	800.00
03/16/05	Theresa Garcia	Work on witness and exhibit list relating to motion to authorize executory contract of Excel and SBC (0.6)	0.60	54.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/17/05	Michael L. Scanlon	Review correspondence from SBC's counsel concerning changes to proposed agreed order on motion to reject Cleveland Ohio dedicated ring service (0.2); prepare correspondence to Melissa Drennan and others concerning SBC's proposed changes to order (1.1); telephone conference with Mike Colvin regarding SBC changes to proposed agreed order (0.1)	1.40	350.00
03/18/05	Michael L. Scanlon	Respond to correspondence from Melissa Drennan regarding proposed agreed order on motion to reject contract concerning Cleveland, OH dedicated ring service, and telephone conferences with Ms. Drennan regarding same (0.2); telephone conference with John Roberts regarding proposed agreed order (0.3); telephone conferences with David Bennett, counsel for SBC, concerning status of Excel review of changes to proposed agreed order (0.3); continue drafting proposed agreed order concerning Cleveland, OH dedicated ring service motion (0.6); prepare correspondence to Ms. Drennan forwarding revised draft of proposed agreed order (0.4); prepare correspondence to David Bennett forwarding proposed agreed order for review (0.2)	2.00	500.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/21/05	Michael L. Scanlon	Review correspondence from Melissa Drennan concerning approval of proposed agreed order regarding motion to rejection contract relating to Cleveland, OH dedicated ring service, and prepare correspondence regarding this order to David Bennett, counsel for SBC (0.2); review and respond to correspondence from Mr. Bennett concerning objection deadline and submission of agreed order (0.2); coordinate regarding Wednesday hearing on motion to reject, agenda letter, and submission of agreed order relating to motion (0.1)	0.50	125.00
03/22/05	Michael L. Scanlon	Review March 22, 2005 agenda letter and confirm settlement announcement concerning motion to reject Cleveland, OH dedicated ring contract will be made at March 23, 2005 hearing (0.2); telephone conference with David Bennett regarding this matter (0.1)	0.30	75.00
03/23/05	Michael L. Scanlon	Finalize and upload proposed agreed order granting motion to reject executory contract concerning Cleveland, Ohio dedicated ring service contract (0.4); assist in preparing for hearing by forwarding copy of proposed order to counsel that will be handling the agenda for the court at the hearing (0.2)	0.60	150.00
03/27/05	Joseph M. Coleman	Examine order rejecting executory contract with SBC and emails related thereto (.1); Examine email from D. Bennett regarding SBC's March 11 letter (.1).	0.20	80.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/28/05	Michael L. Scanlon	Prepare correspondence to John Roberts concerning motion to reject contract between Excel and Southwestern Bell Telephone (0.5); begin preparing proposed agreed order concerning motion to reject contract between Excel and Southwestern Bell Telephone (1.2); begin drafting corrected agreed order concerning Cleveland, Ohio dedicated ring service, and begin preparing correspondence to Ms. Drennan regarding corrected order (1.3)	3.00	750.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/29/05	Michael L. Scanlon	Review and respond to correspondence from David Bennett concerning matters relating to pending motion to reject relating to contract between Excel and Southwestern Bell (.1); prepare correspondence to Melissa Drennan requesting authorization to extend deadline for SBC to respond to this motion (.2); prepare correspondence to Ms. Drennan regarding proposed corrected agreed order on Cleveland, OH dedicated ring service (.1); continue drafting proposed corrected agreed order on Cleveland, OH dedicated ring service (.4); telephone conference with David Bennett regarding proposed corrected order on Cleveland, OH dedicated ring service (.1); review correspondence from John Roberts concerning information relating to motion to reject contract with Southwestern Bell Telephone relating to service via two circuits, and telephone conference with Mr. Roberts regarding same (.3); continue drafting proposed agreed order regarding rejection of contract regarding service via two circuits, and prepare correspondence to Ms. Drennan and Mr. Roberts regarding this proposed agreed order (.8); prepare correspondence to David Bennett concerning extension of time to respond to pending motion to reject (service via two circuits) and concerning a proposed agreed order concerning that motion (.5); upload to court the corrected agreed order concerning Cleveland, OH dedicated ring service (.4); prepare correspondence to Mr. Bennett concerning upload of corrected agreed order concerning Cleveland, OH dedicated ring service (.3).	3.20	800.00



<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/31/05	Joseph M. Coleman	Examine email and telephone conference with T. Biggio regarding GE's executory contract and option to purchase.	0.30	120.00
Total			29.20	\$7,165.00

**Other Contested Matters (excl. assumption/rejection motions)**

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/01/05	Michael L. Scanlon	Review correspondence regarding PARs netting issue (0.1); analyze billing and collection agreement and PARs netting issues with Mr. Coleman (0.6)	0.70	175.00
03/02/05	Michael L. Scanlon	Analyze issues concerning change-of-law provisions in interconnect agreements and local switching UNE-P issues (1.8); telephone conference with Pat Zacharie regarding same (0.1)	1.90	475.00
03/03/05	Michael L. Scanlon	Telephone conferences with Pat Zacharie regarding status of UNE-P/March 11, 2005 deadline issues (0.2); telephone conference with Mr. Coleman and David Bennett regarding these issues (0.1); prepare correspondence to Pat Zacharie forwarding certain e-mails concerning status of commercial agreement (0.2); analyze UNE-P and related issues (0.6); telephone call to Travis Galt regarding SBC's current position as to the pricing issues under the proposed commercial agreement (0.1)	1.20	300.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/03/05	Joseph M. Coleman	Work on new agreement with SBC, including telephone conferences with Pat Zacharie, examine latest version of Commercial Agreement, and conferring with M. Scanlon(1.1); Confer with B. Wallander(.3); Email D. Bennett(.1).	1.50	600.00
03/04/05	Joseph M. Coleman	Telephone conference with M. Drennan regarding need for emergency hearing regarding delivering documents to RTFC and Committee(.3); Examine email regarding same(.1); Telephone conference with SBC's counsel(.3); Telephone conference with Committee regarding confidentiality agreement(.1); Telephone conference with RFTC regarding same(.1); Telephone conference with M. Drennan regarding status of negotiations with SBC; Telephone conference with SBC's counsel regarding emergency hearing to cause production of documents(.3); Exchange emails with SBC's counsel regarding resolution of same(.2); Follow up with M. Scanlon regarding compliance with confidentiality agreements(.1).	1.40	560.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/04/05	Michael L. Scanlon	Analyze red-lined changes in commercial agreement, and other related documents (1.5); review correspondence from Melissa Drennan concerning need for emergency motion allowing disclosure of proposed commercial agreement and related documents to RTFC and Committee professionals, and analyze these issues with Mr. Coleman (0.5); begin drafting such an emergency motion (0.6); begin review of existing confidentiality agreement after agreement reached concerning disclosure of commercial agreement and related documents (0.1); analyze setoff issues (0.1); review copy of agreement between debtors and unsecured creditors' committee concerning preservation of debtors' confidential information (0.4)	3.20	800.00
03/04/05	Joseph M. Coleman	Examine emails regarding new agreement with SBC and respond to same(.3); Confer with M. Scanlon regarding same(.3).	0.60	240.00
03/06/05	Michael L. Scanlon	Review agreement between VarTec and unsecured creditors' committee counsel regarding confidential information (0.3); prepare correspondence to Steve Goodwin forwarding drafts of commercial agreement and two related documents (1.5)	1.80	450.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/07/05	Michael L. Scanlon	Telephone conference with Melissa Drennan regarding transmittal of proposed commercial agreement and related documents to unsecured creditors' committee counsel (0.1); and attend to forwarding copies of this correspondence to Ms. Drennan (0.4); telephone conference with Steve Goodwin, counsel for unsecured creditors' committee, confirming his receipt of March 6, 2005 e-mail with commercial agreement and related documents (0.1); prepare correspondence to Ms. Drennan forwarding March 7, 2005 correspondence to Steve Goodwin (0.4); telephone conference with Travis Galt regarding pricing schedule issued in connection with most recent proposed commercial agreement, and regarding related matters (0.3)	1.30	325.00
03/07/05	Joseph M. Coleman	Confer with M. Scanlon regarding New Agreement and confidentiality(.2); Exchange email with M. Drennan regarding same(.1).	0.30	120.00
03/08/05	Joseph M. Coleman	Confer with M. Scanlon regarding two rejection motions (.1).	0.10	40.00
03/09/05	Joseph M. Coleman	Examine email from M. Drennan regarding rejection of contract and forward same and confer with M. Scanlon about both rejections; Voice mail M. Drennan regarding same(.3); Examine email from J. Schissler and email from SBC regarding netting issues(.2).	0.50	200.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/10/05	Joseph M. Coleman	Examine email regarding new agreement with SBC and confer with M. Scanlon regarding same(.2); Review addendum A proposed to go with the Agreement(.1); Email SBC regarding same(.1); Examine emails from M. Drennan and exchange voicemails with SBC's counsel(.1); Examine new SBC agreement(.3); Examine M. Drennan's letter to Carriers and voice mail follow up(.2).	1.00	400.00
03/10/05	Michael L. Scanlon	Receive e-mail forwarding commercial agreement and related documents (0.2); telephone conference with Travis Galt regarding same (0.2)	0.40	100.00
03/11/05	Joseph M. Coleman	Extended telephone conference with M. Drennan regarding new agreement and issues related thereto(.5); Prepare for and conduct conference call with SBC regarding same(1); Telephone conference with B. Wallander (.2); Telephone conference with M. Drennan regarding SBC call(.2); Follow up with SBC counsel(.1); Examine emails from M. Drennan and from P. Zacharie(.3).	2.30	920.00
03/11/05	Michael L. Scanlon	Telephone conference with Mr. Coleman and Melissa Drennan concerning commercial agreement and Addendum A issues (0.6); analyze commercial agreement issue(s) (0.5)	1.10	275.00
03/14/05	Michael L. Scanlon	Conference with Mr. Coleman regarding "to do" list related to UNE-P issues (0.1); telephone conference with Travis Galt regarding status of these issues (0.2).	0.30	75.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/15/05	Michael L. Scanlon	Telephone call to Suzanne Leslie, counsel for SBC, regarding Addendum A issues and short-term interim agreement matters (0.1); telephone conference with David Bennett, counsel for SBC, regarding these issues (0.1); review correspondence from Pat Zacharie concerning state proceedings (0.1); update Mr. Coleman concerning UNE-P issues (0.1)	0.40	100.00
03/16/05	Michael L. Scanlon	Review and respond to correspondence from David Bennett concerning status of proposed agreed order concerning motion to reject contract concerning Cleveland, Ohio dedicated ring service (0.2); draft proposed agreed order concerning this motion to reject contract (2.3); telephone conference with David Bennett regarding certain information to be included in proposed agreed order (0.1); analyze monthly price information regarding dedicated ring service contract (0.1); prepare correspondence to John Roberts regarding proposed agreed order and price issue (0.3); telephone conference with Mike Colvin regarding proposed agreed order (0.1); continue preparing witness and exhibit list for hearing on Cleveland, OH dedicated ring contract, and file same with the court (0.4)	3.50	875.00
03/16/05	Michael L. Scanlon	Prepare correspondence to David Bennett concerning matter of requesting a short-term proposal from SBC concerning commercial agreement/UNE-P issues (0.4)	0.40	100.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/18/05	Michael L. Scanlon	Analyze UNE-P issue status with Mr. Coleman (.1); telephone call to Pat Zacharie regarding UNE-P issues (.1)	0.20	50.00
03/19/05	Joseph M. Coleman	Telephone conference with B. Wallander regarding new agreement.	0.10	40.00
03/21/05	Joseph M. Coleman	Examine email from M. Drennan re Cleveland Ring contract and follow up with M. Scanlon re same(.1); examine emails re agreed order(.1)	0.20	80.00
03/21/05	Michael L. Scanlon	Analyze UNE-P issue for Mr. Coleman (0.3)	0.30	75.00
03/22/05	Michael L. Scanlon	Review correspondence from JMC regarding commercial agreement issue (0.1); telephone conference with Travis Galt regarding month-to-month pricing issue (0.2); arrange for Ms. Garcia to compile certain information concerning the interconnection agreements (0.2); prepare correspondence to Mr. Coleman regarding a UNE-P/commercial agreement issue (0.2)	0.70	175.00
03/22/05	Theresa Garcia	Confer with Mr. Scanlon regarding agreement binders (0.1); Prepare and organize chart of agreements received and document expiration dates of agreements (2.1)	2.20	198.00
03/24/05	Michael L. Scanlon	Analyze setoff issue (0.6)	0.60	150.00
03/25/05	Michael L. Scanlon	Prepare correspondence to David Bennett forwarding copy of March 11, 2005 correspondence from VarTec to SBC concerning interconnection agreements (0.2); continue analyzing setoff issue (2.3)	2.50	625.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/28/05	Michael L. Scanlon	Prepare correspondence to Mr. Coleman regarding March 11, 2005 letter to SBC regarding interconnection agreements (0.1); continue analyzing setoff issue (2.5)	2.60	650.00
03/29/05	Joseph M. Coleman	Telephone conference with Counsel for SBC (.2); Follow up regarding orders for rejection (.1); Email M. Drennan regarding same (.1); Examine Addendum A and voice mail B. Wallander (.1); Follow up regarding rejection order and examine emails regarding same (.1).	0.60	240.00
03/30/05	Michael L. Scanlon	Telephone conference with David Bennett, Suzanne Leslie, and Mr. Coleman regarding commercial agreement/UNE-P issues (0.7); being preparing memorandum regarding results of conference call with SBC representatives (0.2); telephone conference with Pat Zacharie regarding same (0.1); telephone conference with Melissa Drennan regarding this conference call with SBC representatives (0.3); prepare e-mail to Mr. Coleman regarding status of negotiations with carriers, and telephone conferences with Mr. Coleman regarding same (0.4)	1.70	425.00
03/30/05	Joseph M. Coleman	Prepare for and participate in conference call with SBC regarding addendum A (.7).	0.70	280.00



<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
03/31/05	Joseph M. Coleman	Examine open issues relating to new commercial agreement applicable to the UNE-P matter (.2); Telephone conference with Travis Galt regarding termination administrative claim issues (.5); Confer with M. Scanlon regarding same (.3); Telephone conference with B. Wallander (.1); Telephone conference with M. Drennan (.2).	1.30	520.00
03/31/05	Michael L. Scanlon	Prepare correspondence to Mike Colvin forwarding copy of court's corrected agreed order concerning Cleveland, Ohio dedicated ring service (.2); analyze General Electric lease-assumption and cure issue (.1)	0.30	75.00
03/31/05	Michael L. Scanlon	Prepare for April 1, 2005 conference call regarding commercial agreement and UNE-P issues (1.8); telephone call to Travis Galt regarding these issues (.1); prepare for and participate in conference call with Mr. Coleman and Mr. Galt regarding UNE-P issues (.8); telephone conference with Mr. Coleman and Melissa Drennan regarding April 1 conference call concerning UNE-P and other SBC-related issues (.2)	2.90	725.00
Total			40.80	\$11,438.00
Total Professional Charges			120.70	\$28,697.50

## PROFESSIONAL CHARGES SUMMARY

<u>Timekeeper</u>	<u>Title</u>	<u>Total</u>
Joseph M. Coleman	Director	22.50 hrs at \$ 400 / hr 9,000.00
Michael L. Scanlon	Associate	63.80 hrs at \$ 250 / hr 15,950.00
Robert J. Taylor	Associate	.20 hrs at \$ 250 / hr 50.00

<u>Timekeeper</u>	<u>Title</u>				<u>Total</u>
Michael L. Scanlon	Associate	.20	hrs at	\$ 0 / hr	0.00
Shannon Savage	Legal Assistant	25.50	hrs at	\$ 115 / hr	2,932.50
Theresa Garcia	Legal Assistant	8.50	hrs at	\$ 90 / hr	765.00
Total Professional Charges					\$28,697.50

## DISBURSEMENTS

<u>Date</u>	<u>Description</u>	<u>Amount</u>
03/31/05	Photocopies	868.05
03/31/05	On-Line Services	763.41
03/31/05	Telephone - Long Distance	0.96
03/31/05	Postage	27.60
	Total Disbursements	\$1,660.02

## INVOICE SUMMARY

Professional Charges	\$ 28,697.50
Disbursements	\$ 1,660.02
<b>CURRENT INVOICE DUE</b>	<b>\$ <u>30,357.52</u></b>

### Outstanding Prior Balance

Invoice No.	Date	Original Amount	Payments	Balance
230553	12/10/04	45,524.52	36,582.72	\$ 8,941.80
231036	01/12/05	17,910.44	14,947.94	\$ 2,962.50
232348	02/17/05	42,519.73	34,205.73	\$ 8,314.00
232829	03/10/05	51,516.44	0.00	\$ 51,516.44

<b>TOTAL AMOUNT DUE</b>	<b>\$ <u>102,092.26</u></b>
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**PAYMENT SUMMARY**

Balance Due Per Prior Invoice		\$	105,940.47
03/24/05 5501897	VarTec Telecom, Inc.	-	34,205.73
<b>Previous Balance Due</b>		<b>\$</b>	<b>71,734.74</b>

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Kane, Russell, Coleman & Logan, P.C. may acquire and collect nonpublic personal information about clients and former clients in the course of providing legal services. Such information may be obtained from the client; may be generated as a result of the services provided; or may be received from third parties involved in, or affiliated with, the services provided. Kane, Russell, Coleman & Logan, P.C. does not disclose, nor does Kane, Russell, Coleman & Logan, P.C. reserve the right to disclose, any nonpublic personal information about clients or former clients, except as permitted by law. Kane, Russell, Coleman & Logan, P.C. restricts access to nonpublic personal information to those employees who need to know that information to provide the applicable services. Kane, Russell, Coleman & Logan, P.C. maintains physical, electronic and procedural safeguards to prevent the dissemination of nonpublic personal information of clients and former clients.

# KRCL

ATTORNEYS & COUNSELORS

KANE RUSSELL COLEMAN & LOGAN, P.C.

Invoice Date: 04/15/05

Invoice No.: 233676

File No.: 43670.00002.000

**Michael G. Hoffman, Chief Legal Officer**

VarTec Telecom, Inc.  
2440 Marsh Lane  
Carrollton, TX 75006

*For Professional Services Rendered Through March 31, 2005:*

Total Professional Charges.....	\$ 28,697.50
Disbursements .....	\$ 1,660.02
<b>Current Invoice Due.....</b>	<b>\$ 30,357.52</b>
Previous Balance Due .....	\$ 71,734.74
<b>TOTAL AMOUNT DUE.....</b>	<b>\$ <u>102,092.26</u></b>

**THIS INVOICE IS PAYABLE UPON RECEIPT.**

**PLEASE RETURN THIS PAGE WITH YOUR REMITTANCE.**