



ATTORNEYS & COUNSELORS

KANE RUSSELL COLEMAN & LOGAN, P.C.

Invoice Date: 07/20/05

Invoice No.: 236902

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>
06/03/05	Michael L. Scanlon	Review pleadings received (.1).	0.10	25.00
06/03/05	Kelli Vecera	Research of court filings regarding Chartwell and Heller Healthcare.	0.30	37.50
06/06/05	Kelli Vecera	Research regarding elements of bailment in Texas case law and Supreme Court opinions.	0.40	50.00
06/06/05	Michael L. Scanlon	Review pleadings received (0.1)	0.10	25.00
06/07/05	Michael L. Scanlon	Telephone conference with Rich London regarding rescheduling July 6 hearing to July 7, 2005 (0.1)	0.10	25.00
06/07/05	Joseph M. Coleman	Review pleadings (.1).	0.10	40.00
06/12/05	Joseph M. Coleman	Examine pleadings and email (.1).	0.10	40.00
06/13/05	Michael L. Scanlon	Review pleadings received (0.4)	0.40	100.00
06/13/05	Theresa Garcia	Obtain omnibus hearing dates from court in the main bankruptcy case (0.1)	0.10	9.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/14/05	Joseph M. Coleman	Telephone conference with D. Bennett(.3); Examine numerous emails and new pleadings(.3); Confer with M. Scanlon regarding rejection motion(.1).	0.70	280.00
06/14/05	Michael L. Scanlon	Review pleadings received (0.2)	0.20	50.00
06/14/05	Joseph M. Coleman	Review pleadings (.1).	0.10	40.00
06/15/05	Joseph M. Coleman	Examine email from creditor and respond (.1); telephone conference with J. Schissler regarding setoff motion and sale process (.2); confer with M. Scanlon re same (.1).	0.40	160.00
06/15/05	Michael L. Scanlon	Update Mr. Coleman concerning status of certain matters (0.3)	0.30	75.00
06/16/05	Michael L. Scanlon	Review agenda letter and pleading(s) received	0.10	25.00
06/20/05	Joseph M. Coleman	Examine recently filed pleadings(.1);	0.10	40.00
06/20/05	Michael L. Scanlon	Review pleadings received (0.2); arrange to obtain transcript of June 17, 2005 status conference regarding BellSouth setoff matter (.1)	0.30	75.00
06/20/05	Joseph M. Coleman	Prepare for and participate in conference call regarding rejection damages, sale process, offset issues and disputes involving Carrier Stipulation(1.1); Follow up with conference call with T. Biggio (.4).	1.50	600.00
06/21/05	Joseph M. Coleman	Exchange voice mails with D. Bennett, counsel for SBC; Examine email from T. Biggio.	0.10	40.00
06/21/05	Joseph M. Coleman	Telephone conference with D. Bennett, attorney for SBC, regarding sale process and set off issues(.4).	0.40	160.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/21/05	Joseph M. Coleman	Review pleadings (.1); Review monthly operating report (.1).	0.20	80.00
06/22/05	Joseph M. Coleman	Examine emails from TransCom's counsel and respond (.1).	0.10	40.00
06/22/05	Joseph M. Coleman	Examine recent pleadings.	0.20	80.00
06/22/05	Michael L. Scanlon	Review pleadings received (0.2)	0.20	50.00
06/23/05	Michael L. Scanlon	Review pleadings received, and prepare correspondence to Mr. Coleman regarding objection to motion to sell (0.4); assist in arrangement for obtaining transcript of June 17, 2005 status conference (0.1)	0.50	125.00
06/23/05	Joseph M. Coleman	Examine ECF pleadings(.1); Examine email from M. Drennan regarding SBC and telephone conference with M. Drennan's office regarding same (.1); Confer with M. Scanlon regarding lease rejection and related issues(.1).	0.30	120.00
06/24/05	Joseph M. Coleman	Examine ECF pleadings; Organize for Monday's hearings.	0.10	40.00
06/24/05	Theresa Garcia	Preparation and organization of documents related to Sale and Bid Motion for hearing (2.0)	2.00	180.00
06/27/05	Michael L. Scanlon	Review pleadings received (0.1)	0.10	25.00
06/29/05	Michael L. Scanlon	Conferences with Mr. Coleman regarding review of all pending VarTec matters, with particular emphasis on preparations for upcoming hearings (1.9); review pleadings received (0.2)	2.10	525.00
06/30/05	Joseph M. Coleman	Outline and prioritize to do items (.1).	0.10	40.00
06/30/05	Joseph M. Coleman	Exchange emails with D. Bennett regarding Setoff Motion(.1); Work on to do list, prioritization of same (.1).	0.20	80.00
<b>Total</b>			<b>12.00</b>	<b>\$3,281.50</b>

**Asset Analysis and Recovery**

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/01/05	Joseph M. Coleman	Work on Section 544 issues (1); Work on setoff issues (1.3); Telephone conference with J. Schissler regarding same (.3).	2.60	1,040.00
06/02/05	Joseph M. Coleman	Work on setoff issues(5.3); Exchange voice mails with D. Bennett and follow up with D. Bennett(.2); Email J. D'Angelo regarding SBC (.1).	5.60	2,240.00
06/06/05	Joseph M. Coleman	Exchange email with M. Drennan(.1); Confer with M. Scanlon regarding SBC pleading (.1).	0.20	80.00
06/08/05	Joseph M. Coleman	Work on setoff issues; Exchange voicemails with M. Drennan.	1.30	520.00
06/09/05	Joseph M. Coleman	Work on setoff issues, including telephone conference with M. Drennan(1.5).	1.50	600.00
06/09/05	Michael L. Scanlon	Continue drafting motion to determine SBC's ability to effectuate setoff, etc. (3.3); telephone conference with Melissa Drennan and Mr. Coleman regarding this motion (0.4); telephone conference with John Schissler regarding this motion (0.2); telephone conference with Travis Galt regarding this motion (0.3)	4.20	1,050.00
06/10/05	Joseph M. Coleman	Confer with J. Friedman regarding avoidance action(.1).	0.10	40.00
06/10/05	Joseph M. Coleman	Work on set off issues.	0.20	80.00
06/12/05	Joseph M. Coleman	Work on setoff issues (.8).	0.80	320.00
06/13/05	Joseph M. Coleman	Work on set off issue.	0.50	200.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/13/05	Michael L. Scanlon	Continue drafting motion to determine SBC's ability to effectuate setoff (1.5); prepare notice of hearing concerning this motion (0.4); review correspondence from Joe D'Angelo regarding this motion to determine (0.1)	2.00	500.00
06/14/05	Michael L. Scanlon	Prepare correspondence to Traci Davis, courtroom deputy clerk, transmitting copy of motion to determine SBC's ability to effectuate setoff (with exhibits) (.6); prepare correspondence to David Bennett, counsel for SBC, transmitting copy of motion to determine SBC's ability to effectuate setoff (with exhibits) (0.5); review correspondence from Melissa Drennan regarding motion to determine, etc. (0.1); review correspondence from John Schissler regarding motion to determine, etc. (0.1); assist in preparing exhibits for motion to determine, etc. (0.2); telephone conference with Ms. Drennan regarding Mr. Coleman's final changes to motion to determine, etc. (0.1); file motion and notice of hearing with the court and arrange for service of motion and exhibits (1.4); prepare correspondence to Ms. Drennan confirming filing of motion to determine, etc. (0.2)	3.20	800.00
06/15/05	Joseph M. Coleman	Work on set off issues	0.60	240.00
06/20/05	Joseph M. Coleman	Follow up regarding Bell South set off issue being converted to adversary per status conference.	0.10	40.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/20/05	Michael L. Scanlon	Telephone conference with Tim Biggio and Joe Coleman regarding June 17, 2005 status conference concerning motion relating to Bell South setoff issues (0.4); analyze issues related to proposed sale process (0.6);	1.00	250.00
06/22/05	Michael L. Scanlon	Discuss scheduling issues with Mr. Coleman concerning motion to determine SBC ability to effectuate setoff, etc. (.3).	0.30	75.00
06/22/05	Joseph M. Coleman	Strategize re setoff issues(.3)	0.30	120.00
06/22/05	Joseph M. Coleman	Email client regarding SBC's request for extension of answer date and determination of 25th as status conference (.2).	0.20	80.00
06/24/05	Joseph M. Coleman	Examine email regarding SBC's requested extension of times regarding setoff.	0.10	40.00
06/27/05	Joseph M. Coleman	Attend hearing on bidding procedures (8.5).	8.50	3,400.00
06/28/05	Joseph M. Coleman	Prepare for and attend bidding procedures hearing(5.3); Telephone conference with M. Drennan regarding results(.1); Confer with M. Scanlon regarding bidding procedures hearing(.3).	5.70	2,280.00
06/28/05	Joseph M. Coleman	Telephone conferences with D. Bennett, J. Lee and M. Drennan regarding reply date on setoff motion(.3).	0.30	120.00
06/29/05	Joseph M. Coleman	Follow up regarding set off scheduling order(.1); Examine e-mail from D. Bennett regarding set off response deadlines(.1).	0.20	80.00
Total			39.50	\$14,195.00

### Asset Disposition

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/20/05	Joseph M. Coleman	Examine pleadings, confer with T. Biggio regarding sale process, and confer with J. Friedman regarding same; Telephone conference with B. Wallander regarding sale process(.5); Examine briefly sale pleadings(.1).	1.00	400.00
06/22/05	Joseph M. Coleman	Examine Motion for sale free and clear and attached Asset Purchase Agreement and related schedules(1.5).	1.50	600.00
06/24/05	Michael L. Scanlon	Analyze responses/objections to bidding procedures motion (2.5)	2.50	625.00
06/24/05	Joseph M. Coleman	Review bidding procedures motion(1.0); Telephone conference with D. Bennett regarding bidding procedures and objections thereto(.2); Examine objections to bidding procedures(1.5); Begin outlining response(2.3).	5.00	2,000.00
06/25/05	Michael L. Scanlon	Assist in preparing reply to SBC objection to motion for approval of sale procedures and bid protections, etc. (6.9)	6.90	1,725.00
06/25/05	David D. Ritter	Analysis of ability to assume or reject leases and contracts post-petition (3.6)	3.60	864.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/25/05	Joseph M. Coleman	Research impact of designating executory contracts to be assumed or rejected subsequent to proposed Section 363(b) sale approval(4); Outline response to SBC's objection to bidding procedures and confer with M. Scanlon regarding division of labor(2.5); Analysis of sub rosa plan, disclosures necessary with Section 363(b) Sale, and related issues(2.5); Examine APA and MSA(1.0); Telephone conference with M. Drennan(.2); Start drafting reply to objection by SBC(.7).	10.90	4,360.00
06/26/05	Joseph M. Coleman	Draft reply to SBC's objection to sale procedures, including telephone conferences with M. Drennan(10.4).	10.40	4,160.00
06/26/05	David D. Ritter	Analysis of ability to sell designation rights in sale of assets of company (1.0)	1.00	240.00
06/26/05	Michael L. Scanlon	Assist in preparing reply to SBC objection to motion for approval of sale procedures and bid protections, etc. (13.3); telephone conference with Mr. Coleman and Melissa Drennan regarding reply (0.1)	13.40	3,350.00
06/27/05	Michael L. Scanlon	Review VarTec/Leucadia asset purchase agreement (.2); review reply to SBC objection to sale procedures as well as related correspondence (0.3)	0.50	125.00
06/28/05	Michael L. Scanlon	Meeting with Mr. Coleman concerning result of hearing concerning sale procedures and bid protections (0.3); telephone conference with Melissa Drennan and Mr. Coleman regarding same (0.1)	0.40	100.00



<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/29/05	Joseph M. Coleman	Analysis of issues applicable to Sale Hearing.	2.00	800.00
06/30/05	Michael L. Scanlon	Confer with Mr. Friedman concerning framework for anticipated objection by SBC to sale motion and regarding framework for response to motion to compel assumption and rejection of contracts (0.6)	0.60	150.00
Total			59.70	\$19,499.00

**Fee/Employment Applications**

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/09/05	Michael L. Scanlon	Prepare proposed order concerning amended application to employ Kane Russell Coleman & Logan (0.3)	0.30	75.00
06/09/05	Michael L. Scanlon	Draft proposed order granting amended application to employ Kane Russell Coleman & Logan, P.C. as Special Counsel to the Debtors (0.7)	0.70	175.00
06/21/05	Joseph M. Coleman	Redact fee statement (.1).	0.10	40.00
06/21/05	Michael L. Scanlon	Redact time entries on May invoice (0.3)	0.30	75.00
06/24/05	Shannon Savage	Prepare correspondence regarding June invoice (.4)	0.40	46.00
Total			1.80	\$ 411.00

**Assumption/Rejection of Leases and Contracts**

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/08/05	Michael L. Scanlon	Continue preparing motion to determine SBC's ability to effectuate setoff, including exhibits (1.7)	1.70	425.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/08/05	Michael L. Scanlon	Review correspondence from Mike Colvin regarding billing from SBC regarding billing for termination charges related to rejected contract for dedicated ring service in Cleveland, and telephone conference with Mr. Colvin regarding this correspondence (0.3); review additional correspondence related to these termination charges (0.1)	0.40	100.00
06/09/05	Michael L. Scanlon	Telephone call to Mike Colvin regarding motion to reject certain circuit agreements with SBC telephone companies (0.1); work on this motion (0.2)	0.30	75.00
06/13/05	Michael L. Scanlon	Review correspondence from Mike Colvin regarding motion to reject contracts relating to SBC circuits, and telephone call to Mr. Colvin regarding same (0.1)	0.10	25.00
06/15/05	Joseph M. Coleman	Work on issues relating to rejection of numerous leases.	0.30	120.00
06/15/05	Joseph M. Coleman	Outline assumption and assignment issues applicable to SBC.	0.50	200.00
06/15/05	Michael L. Scanlon	Continue working on motion to reject certain circuit agreements with SBC telephone companies (0.5); review correspondence regarding sonet ring termination charge matter (.1)	0.60	150.00
06/16/05	Michael L. Scanlon	Analyze proposed rejection of numerous contracts relating to SBC circuits, including telephone call to Mike Colvin (0.7); telephone call to Mike Colvin regarding charge following rejection of sonet ring contract in Cleveland, Ohio (0.2)	0.90	225.00
06/20/05	Joseph M. Coleman	Begin analysis of numerous contract rejections(.1)	0.10	40.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/20/05	Michael L. Scanlon	Prepare for telephone conference regarding termination charge relating to rejection of sonet ring contract (0.4); telephone conference with Mike Colvin, Tim Biggio, and others regarding upcoming motion to reject circuit agreements and termination charge relating to sonet ring contract rejection (0.9); analyze SBC proofs of claims relating to rejection of sonet ring contract (0.3); prepare correspondence to Mr. Colvin regarding sonet ring termination charge and SBC proofs of claims (0.9); perform additional research and analysis regarding motion to reject certain circuit agreements with SBC telephone companies and assist in preparing exhibit for this motion (3.2)	5.70	1,425.00
06/20/05	Joseph M. Coleman	Analysis of rejection issues(.8); Examine rejection proof of claim(.1); Examine and forward to M. Scanlon with commentary email from VarTec regarding rejection issues (.2).	1.10	440.00
06/21/05	Michael L. Scanlon	Telephone conference with John Roberts regarding proposed language regarding circuit agreements (as part of motion to reject circuit agreement with SBC entities)(0.1); review spreadsheets listing circuit agreements to be rejected for purposes of preparing exhibits to proposed rejection motion (0.6)	0.70	175.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/22/05	Michael L. Scanlon	Review spreadsheets, and continue preparing exhibit to motion to authorize rejection of circuit agreements with SBC entities (.6); telephone conference with Lon Hearne requesting information for use in connection with preparing exhibit for motion to authorize rejection of circuit agreements (.3); telephone conference with Mike Colvin regarding spreadsheet questions (.1); prepare correspondence to Mr. Colvin requesting counterparty names and addresses for SBC entities for use in motion to reject circuit agreements (.5); prepare correspondence to John Roberts requesting review of and assistance with proposed language for proposed motion authorizing rejection of circuit agreements (.8); receive, review and respond to correspondence from Tim Biggio regarding exhibit for motion concerning rejection of circuit agreements (.3); analyze different definition of disconnection dates used in the two spreadsheets (.1).	2.70	675.00
06/23/05	Michael L. Scanlon	Telephone call to John Roberts regarding motion to reject certain circuit agreements with SBC telephone companies (0.1); continue drafting motion to reject certain circuit agreements with SBC telephone companies (1.6); briefly review various access services tariffs in connection with preparation of the motion to reject certain circuit agreements (0.6)	2.30	575.00
06/23/05	Joseph M. Coleman	Work on aggregate lease rejection pleading.	0.30	120.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/24/05	Joseph M. Coleman	Examine J. Roberts' email regarding lease rejection issues(.1).	0.10	40.00
06/24/05	Michael L. Scanlon	Review correspondence from John Roberts relating to motion to reject certain circuit agreements with SBC telephone companies (0.1); telephone conference with Mr. Roberts regarding motion to reject certain circuit agreements, etc. (0.6); continue drafting motion to reject certain circuit agreements, etc., including exhibit for motion (2.2); review correspondence relating to termination charges ensuing from termination of SBC sonet ring service in Cleveland (0.2)	3.10	775.00
06/27/05	Michael L. Scanlon	Telephone conference with Mike Colvin following up concerning needed list of contract counterparties needed for motion to reject certain circuit agreements with SBC telephone companies (.1)	0.10	25.00
06/28/05	Michael L. Scanlon	Continue preparing motion to reject certain circuit agreements with SBC Telephone companies (0.1)	0.10	25.00
06/29/05	Michael L. Scanlon	Legal research for motion to reject certain circuit agreements with SBC (1.5)	1.50	375.00
06/30/05	Joseph M. Coleman	Follow up regarding rejection of contracts motion.	0.10	40.00
06/30/05	Michael L. Scanlon	Review draft of Exhibit A to motion to reject certain circuit agreements with SBC Telephone companies, and prepare correspondence to Mr. Hearne, Mr. Roberts, and Mr. Biggio regarding same (1.5); continue drafting this motion to reject certain circuit agreements (0.3)	1.80	450.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
Total			24.50	\$6,500.00

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

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/01/05	Theresa Garcia	Obtain list of all proofs of claims to SBC related entities (0.3)	0.30	27.00
06/01/05	Joseph A. Friedman	Analysis of state law judicial lien creditor rights as part of avoidance action as part of defense to set off(4.8).	4.80	1,560.00
06/01/05	Michael L. Scanlon	Continue drafting motion to determine SBC's ability to effectuate setoff (4.0); assist in analyzing SBC's interest in accounts (0.2); telephone conference with Mr. Coleman and John Schissler regarding issue(s) relating to setoff (0.4)	4.60	1,150.00
06/02/05	Michael L. Scanlon	Continue drafting motion to determine SBC's ability to effectuate setoff (12.5)	12.50	3,125.00
06/02/05	Joseph A. Friedman	Analysis and preparation of avoidance action as part of set off motion (4.9); review unpublished decisions by Northern District judges on 544 a issues and begin review of court's unpublished decisions in Chartwell matter on automatic perfection of accounts issue and applicability to case at hand (1.8).	6.70	2,177.50
06/02/05	Theresa Garcia	Assist in preparation of Motion to Determine SBC ability to effectuate setoff (3.1).	3.10	279.00
06/03/05	Michael L. Scanlon	Continue drafting motion to determine SBC's ability to effectuate setoff, and prepare correspondence for Mr. Coleman forwarding document to Joe D'Angelo, Melissa Drennan and John Schissler (7.3)	7.30	1,825.00

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/03/05	Joseph A. Friedman	Work on set off motion (3.5); confer with Debtor's general counsel on 544 issues and relevance to case at large(.5); analysis of court's unpublished decisions on automatic perfection of accounts issue and applicability to case at hand (.9)	4.90	1,592.50
06/03/05	Theresa Garcia	Assisting in preparation of Motion to Determine SBC ability to effectuate setoff (5.6).	5.60	504.00
06/06/05	Theresa Garcia	Review all SBC related proofs of claim for reference of UCC-1 (2.7); Confer with Mr. Scanlon regarding inclusion of exhibits to Setoff Motion (.2); Assist in preparation of Motion to Determine SBC ability to effectuate setoff (1.6).	4.50	405.00
06/06/05	Michael L. Scanlon	Continue drafting motion to determine SBC's ability to effectuate setoff, including arrange for preparation of exhibits for same by Ms. Garcia (3.5); telephone conference with Travis Galt regarding issue for motion to determine SBC's ability to effectuate setoff (.2); prepare correspondence forwarding a draft of this motion to Michael Hoffman (after consulting Ms. Drennan)(0.4); conference with Mr. Friedman to discuss proposed changes to motion to determine SBC's ability to effectuate setoff (0.3)	4.40	1,100.00
06/06/05	Joseph A. Friedman	Review draft motion regarding SBC setoff issues and provide comments on same(1.3); review report from and confer with Ms. Garcia on review of SBC proofs of claim regarding UCC filing information contained therein(.2)	1.50	487.50

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/07/05	Michael L. Scanlon	Review and continue preparing motion to determine SBC's ability to effectuate setoff (4.0); review correspondence from Melissa Drennan regarding this motion, and telephone call to Ms. Drennan regarding same (0.2)	4.20	1,050.00
06/07/05	Theresa Garcia	Review interconnection agreements regarding setoff (0.9)	0.90	81.00
06/08/05	Theresa Garcia	Assist in preparation of Motion to Determine SBC Ability to Effectuate Setoff (1.4)	1.40	126.00
06/10/05	Michael L. Scanlon	Continue drafting motion to determine SBC's ability to effectuate setoff, and prepare correspondence forwarding revised draft to Melissa Drennan (7.7)	7.70	1,925.00
06/14/05	Theresa Garcia	Assist in preparation of Motion to Determine SBC Ability to Effectuate Setoff (0.4); Service of same (0.8)	1.20	108.00
06/20/05	Theresa Garcia	Review Claims Register for SBC related proofs of claim filed after March 24, 2005 (0.6); Preparation of exhibits of Motion to Authorize Circuit Agreements (0.6); Telephone call to National Court Reporters for request of transcript of hearing (0.3)	1.50	135.00
06/21/05	Theresa Garcia	Preparation of exhibits to Motion to Authorize Circuit Agreements (1.3); Prepare and organize hearing notebook (0.5)	1.80	162.00
06/22/05	Theresa Garcia	Work on Notice of Hearing to Motion to Authorize Assumption of Master Lease (0.4); Continue preparation and organization of Trial Notebook (0.1); Obtain Sale and Bid Procedures Motion for attorney review (0.4)	0.90	81.00



SBC

43670.00002.000

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/24/05	Theresa Garcia	Assist in preparation of exhibit to Motion to Authorize Rejection of Certain Circuit Agreements (0.3)	0.30	27.00
06/27/05	Theresa Garcia	Preparation and organization of Sale and Bid Procedures documents for hearing (1.5); Work on organization of hearing notebook for Setoff Motion (0.5); Assist in preparation of exhibits to Motion to Authorize Rejection of Certain Circuit Agreements (3.0)	5.00	450.00
Total			85.10	\$18,377.50

**Claims Administration and Objections**

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
06/28/05	Joseph M. Coleman	Telephone conference with D. Bennett regarding SBC claim(.2); Telephone conference with J. D'Angelo regarding same and regarding settlement thereof (.3).	0.50	200.00
Total			0.50	\$ 200.00
Total Professional Charges			223.10	\$62,464.00

## PROFESSIONAL CHARGES SUMMARY

<u>Timekeeper</u>	<u>Title</u>	<u>Total</u>
Joseph M. Coleman	Director	67.40 hrs at \$ 400 / hr 26,960.00
Joseph A. Friedman	Director	17.90 hrs at \$ 325 / hr 5,817.50
Michael L. Scanlon	Associate	103.50 hrs at \$ 250 / hr 25,875.00
David D. Ritter	Associate	4.60 hrs at \$ 240 / hr 1,104.00
Shannon Savage	Legal Assistant	.40 hrs at \$ 115 / hr 46.00
Theresa Garcia	Legal Assistant	28.60 hrs at \$ 90 / hr 2,574.00
Kelli Vecera	Research Asst.	.70 hrs at \$ 125 / hr 87.50
Total Professional Charges		\$62,464.00

## DISBURSEMENTS

<u>Date</u>	<u>Description</u>	<u>Amount</u>
06/30/05	On-Line Services	1,069.27
06/30/05	Postage	2.95
06/30/05	Copies	795.00
	<b>Total Disbursements</b>	<b>\$1,867.22</b>

## INVOICE SUMMARY

Professional Charges	\$ 62,464.00
Disbursements	\$ 1,867.22
<b>CURRENT INVOICE DUE</b>	<b>\$ <u>64,331.22</u></b>

### Outstanding Prior Balance

Invoice No.	Date	Original Amount	Payments	Balance
233676	04/15/05	30,357.52	24,618.02	\$ 5,739.50
234803	05/12/05	30,493.94	0.00	\$ 30,493.94
235767	06/14/05	36,662.60	0.00	\$ 36,662.60

<b>TOTAL AMOUNT DUE</b>	<b>\$ <u>137,227.26</u></b>
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#### PRIVACY NOTICE

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# KRCL

ATTORNEYS & COUNSELORS

KANE RUSSELL COLEMAN & LOGAN, P.C.

Invoice Date: 07/20/05

Invoice No.: 236902

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 June 30, 2005:*

Total Professional Charges.....	\$ 62,464.00
Disbursements .....	\$ 1,867.22
<b>Current Invoice Due.....</b>	<b>\$ 64,331.22</b>
Previous Balance Due .....	\$ 72,896.04
<b>TOTAL AMOUNT DUE.....</b>	<b>\$ <u>137,227.26</u></b>

**THIS INVOICE IS PAYABLE UPON RECEIPT.**

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