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ATTORNEYS FOR THE DEBTORS

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

IN RE:	§	
	§	
VARTEC TELECOM, INC., et al.,	§	CASE NO. 04-81694-SAF-11
	§	
DEBTORS.	§	(Chapter 11)
	§	(Jointly Administered)

**EX PARTE MOTION TO FILE UNDER SEAL SCHEDULES TO
ASSET PURCHASE AGREEMENT WITH COMTEL INVESTMENTS LLC**

TO THE HONORABLE BANKRUPTCY JUDGE:

The above-referenced debtors and debtors in possession (collectively, the “Debtors”)¹ file this *Ex Parte* Motion to File Under Seal Schedules to Asset Purchase Agreement with Comtel Investments LLC (the “Sealing Motion”) and show as follows:

JURISDICTION AND PROCEDURAL BACKGROUND

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157. This Motion concerns the administration of the estate and, therefore, is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).

¹ 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 Business Trust, VarTec Properties, Inc., VarTec Resource Services, Inc., VarTec Solutions, Inc., VarTec Telecom Holding Company, VarTec Telecom International Holding Company, and VarTec Telecom of Virginia, Inc.

2. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. On November 1, 2004 (the "Petition Date"), the Debtors each filed a voluntary petition for relief (collectively, the "Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

4. Since the Petition Date, the Debtors have continued to operate and manage their businesses as debtors in possession pursuant to Bankruptcy Code §§ 1107(a) and 1108.

FACTUAL BACKGROUND

5. At the hearing on July 27, 2005 (the "Hearing"), the Court approved the Debtors' sale of certain assets to Comtel Investments LLC ("Comtel") under that certain Asset Purchase Agreement dated July 25, 2005 (the "APA"). At the Hearing, the APA, including redacted schedules (the "Schedules"), was admitted as an exhibit. The Official Committee of Unsecured Creditors (the "Official Committee") requested that the Debtors file an unredacted copy of the Schedules with the Court. Because the Schedules contain proprietary and commercial information, the Debtors orally moved to file the Schedules under seal with the Court. At the Hearing, the Court approved the filing of the Schedules under seal; however, to comply with local practice for the sealing of documents, the Debtors request that the Court enter an Order approving the requested sealing of documents.

RELIEF REQUESTED

6. The Debtors request that the Court permit them to file the Schedules under seal pursuant to Bankruptcy Code §§ 105 and 107(b) and Rule 9018 of the

Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). 11 U.S.C. § 107; FED. R. BANKR. P. 9018.

7. Bankruptcy Code § 107(b)(1) provides, "On request of a party in interest, the bankruptcy court shall, and on the bankruptcy court's own motion, the bankruptcy court may, . . . protect an entity with respect to a trade secret or confidential research, development, or commercial information." 11 U.S.C. § 107(b)(1). Bankruptcy Rule 9018 states, "On motion or on its own initiative, with or without notice, the court may make any order which justice requires . . . to protect the estate or any entity in respect of a trade secret or other confidential research, development, or commercial information." FED R. BANKR. P. 9018.

8. The Schedules contain information relating to the configuration of the Debtors' network and descriptions of the litigation with the Debtors, including strategic information. The disclosure of information relating to the configuration of the Debtors' network would diminish the Debtors' competitive advantage by enabling a competitor to duplicate their network. Further, the disclosure of strategic information relating to the Debtors' litigation could impair their ability to effectuate favorable settlements of such litigation.

9. Copies of the Schedules have been provided to counsel for the RTFC and counsel for the Official Committee subject to each party's existing confidentiality agreement.

PRAYER

The Debtors respectfully request that this Court enter an order authorizing the Debtors to file the Schedules under seal. The Debtors also request such other and further relief to which they may be entitled.

Dated: August 3, 2005

Respectfully submitted,

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By: /s/ Richard H. London
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CERTIFICATE OF SERVICE

This is to certify that on August 3, 2005, a copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Northern District of Texas. A separate certificate of service shall be filed with respect to those parties on the Clerk's list who do not receive electronic e-mail service.

 /s/ Richard H. London
One of Counsel

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