

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

The following constitutes the order of the Court.

Signed August 24, 2005

Harlin DeWayne Hale
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 REGARDING DEBTORS' FIRST OMNIBUS OBJECTION TO CLAIMS
UNDER 11 U.S.C. §§ 102(1), 105(a), 501(a), AND 502(b) AND FEDERAL RULE OF
BANKRUPTCY PROCEDURE 3007

On August 19, 2005, the Court considered the First Omnibus Objection to Claims Under 11 U.S.C. §§ 102(1), 105(a), 501(a), and 502(b) and Federal Rule of Bankruptcy Procedure 3007 (the "Objection")¹ [Docket No. 1508] filed by the above-referenced debtors (the "Debtors"). The Court **FINDS** that (i) proper and sufficient notice of the Objection has been provided and that no further notice is necessary; (ii) it has jurisdiction over the matters raised in the Objection pursuant to 28 U.S.C. §§ 157

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

and 1334; and (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

Therefore, the Court

SUSTAINS the Objection in part, as set forth below; and further

ORDERS that:

- a. each Duplicate Proof of Claim listed on **Exhibit A** of the Objection is expunged and the claims asserted therein are disallowed. Further, the Remaining Proofs of Claim shall remain on the claims register in the amounts indicated. Determination of any issues related to the allowability of the Remaining Proofs of Claims are reserved for a later date, and the Debtors' right to object to the Remaining Proofs of Claims on any other ground is fully reserved;
- b. each Amended or Replaced Proofs of Claim listed on **Exhibit B** of the Objection is expunged and the claims asserted therein are disallowed. Further, the Superseding Proofs of Claim shall remain on the claims register in the amounts indicated. Determination of any issues related to the allowability of the Superseding Proofs of Claims are reserved for a later date, and the Debtors' right to object to the Superseding Proofs of Claims on any other ground is fully reserved;
- c. each Late Filed Proof of Claim listed on **Exhibit C** of the Objection is expunged and the claims asserted therein are disallowed;
- d. each Shareholder Proof of Claim listed on **Exhibit D** of the Objection is expunged and the claims asserted therein are

disallowed. Further, to the extent that any person or entity that filed a Shareholder Proof of Claim holds a valid equity interest in the Debtors as of the plan distribution record date, the disallowance of the Shareholder Proofs of Claim will not impair a distribution, if any, to which such person who or entity may be entitled under any plan confirmed in the Cases on account of such equity interest; and

- e. each Withdrawn Proof of Claim listed on **Exhibit E** of the Objection is expunged and the claims asserted are disallowed; and further

ORDERS that the Objection as it relates to the following Proofs of Claim will be **PASSED** and set for hearing on September 7, 2005, at 2:30 p.m. (the “September 7 Hearing”):

Claimant Name	Proof of Claim No.	Claim Amount	Ground for Asserted Objection
City of Eureka, Missouri	241	\$750.00	Insufficient documentation
Teller County Treasurer	3200 3203	\$894.92 \$1,919.44	Insufficient documentation
Focal Communications Corp.	2979	Unknown	Insufficient documentation

ORDERS that the Objection as to the Proofs of Claim filed by Valor Telecommunications of Texas L.P. (“Valor”) and listed on **Exhibit C** is **PASSED** until the September 7 Hearing, with the parties reserving all rights in full. As announced at the hearing on the Objection, the pass was agreed to by the parties in contemplation of the following: the Debtors will amend their Schedules to schedule to reflect a disputed amount of \$276,000.00 owed to Valor, whereupon Valor will withdraw its Response to the Objection; and further

ORDERS that the Objection as to the Proof of Claim filed by Kerrville Telephone Company (“Kerrville”) and listed on **Exhibit C** is **PASSED** until the September 7 Hearing, with the parties reserving all rights in full. As announced at the hearing on the Objection, the pass was agreed to by the parties in contemplation of the following: the Debtors will amend their Schedules to schedule to reflect a disputed amount of \$28,000.00 owed to Kerrville, whereupon Kerrville will withdraw its Response to the Objection; and further

ORDERS that the Objection as to the Proofs of Claim filed by Level 3 Communications L.L.C. (“Level 3”) and listed on **Exhibit C** of the Objection is **PASSED** until the September 7 Hearing, with the parties reserving all rights in full. As announced at the hearing on the Objection, the pass was agreed to by the parties in contemplation of the following: the Debtors will amend their Schedules to schedule an undisputed, noncontingent, and liquidated amount owed to Level 3 of \$352,123.01, whereupon Level 3 will withdraw its pending Motion to Allow Late Filed Claims; and further

ORDERS that this Order does not affect Proof of Claim No. 800, filed by the Chaffee County Treasurer (the “Chaffee Claim”), and the Chaffee Claim will remain on the claims register. At the hearing on the Objection, the Debtors withdrew the Objection as it relates to the Chaffee Claim. All rights of the Debtors to object to Proof of Claim 800 on grounds other than amendment or replacement by Proof of Claim No. 3204 are reserved.

Further, this Order does not sustain, overrule, or otherwise address the Objection as it pertains to the Proofs of Claims listed on the Exhibits that were filed by Southwestern Bell Telephone (“SBT”).

End of Order

After entry, return copy to:

Abigail B. Willie, SBT #24028226

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ATTORNEYS FOR THE DEBTORS

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