



The following constitutes the order of the Court.

*Hamlin DeWayne Hale*  
United States Bankruptcy

Signed September 12, 2005

Judge

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

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In re: : Chapter 11  
: :  
VARTEC TELECOM, INC., *et al.*, : Case No. 04-81694-SAF-11  
: :  
Debtors. : Jointly Administered  
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**AGREED ORDER GRANTING SECOND INTERIM APPLICATION FOR  
ALLOWANCE OF FEES AND REIMBURSEMENT OF EXPENSES  
OF HOULIHAN LOKEY HOWARD & ZUKIN CAPITAL AS INVESTMENT BANKER  
TO THE DEBTORS FOR THE PERIOD  
MARCH 8, 2005 THROUGH AUGUST 18, 2005**

On August 18, 2005, the Court considered the Second Interim Application for Allowance of Fees and Reimbursement of Expenses of Houlihan Lokey Howard & Zukin Capital as Investment Banker to the Debtors For The Period March 8, 2005 through June 7, 2005 (the "Application"), and after considering the Application, the arguments of counsel, and the agreement of the parties; and having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein;

THE COURT HEREBY FINDS THAT:<sup>1</sup>

A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).

C. The Application complies, as applicable, with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules for the Bankruptcy Court for the Northern District of Texas and the Orders of this Court.

D. Houlihan Lokey's requested compensation for services rendered in connection with its representation of the Debtors during the period from March 8, 2005 through August 18, 2005 (the "Period") is reasonable and appropriate under sections 328 and 331 of the Bankruptcy Code.

E. Houlihan Lokey's expenses incurred during the Period for which it seeks reimbursement were actual and necessary expenses under sections 330(a) (1)(B) and 331 of the Bankruptcy Code.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Application is GRANTED.

2. Houlihan Lokey's request for an interim allowance of compensation of the following is hereby approved:

a. \$150,000.00 for Monthly Fees incurred from March 8, 2005 through June 7, 2005;

b. \$116,666.67 for Monthly Fees incurred from June 8, 2005 through August 18, 2005;<sup>2</sup>

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<sup>1</sup> Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Application.

<sup>2</sup> This amount includes Monthly Fees of \$50,000 (\$100,000 less \$50,000 transaction fee offset) for each month in the period June 8, 2005 through August 7, 2005 and a prorated amount of the Monthly Fees of \$50,000 for the

c. \$299,250.00 for the Gross Transaction Fee for the Canadian Sale;

d. \$78,560.42 for the Gross Transaction Fee for the sale of the Shares of Holdings Protel S.A. and related assets, which sale was approved by the Court's Order [Docket No. 1224] entered on April 15, 2005; and

e. \$1,731,500.00 for the Gross Transaction Fee for the sale of substantially all of the Debtors' remaining assets (the "Core Asset Sale"), which sale was approved by the Court's Order [Docket No. 1663] entered on July 29, 2005, and which Gross Transaction Fee shall be deemed earned on the Closing Date (as defined in the Asset Purchase Agreement dated July 29, 2005 by and among the Debtors and Comtel Investments LLC).

3. Houlihan Lokey's request for reimbursement of expenses of the following is hereby approved:

- a. \$14,755.93 incurred from March 8, 2005 through June 7, 2005;
- b. \$6,901.06 incurred from June 8, 2005 through July 7, 2005; and
- c. \$5,455.89 incurred from July 8, 2005 through August 7, 2005.

4. The Debtors are hereby authorized and directed to pay Houlihan Lokey the unpaid fees and expenses in the amount of \$296,794.51.

5. Houlihan Lokey shall not be entitled to compensation for any Gross Transaction Fee for the Core Asset Sale in excess of \$1,731,500.00.

6. The Letter Agreement dated November 1, 2004 by and between VarTec Telecom, Inc. (the "Company") and Houlihan Lokey (the "Letter Agreement") shall be terminated effective August 19, 2005; provided, however, (i) the Debtors shall not be liable for any additional fees or expenses under the Letter Agreement except as set forth in this Order; and (ii) Houlihan Lokey shall provide the Debtors reasonable services through the Final Closing

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period August 8, 2005 through August 18, 2005.

Date (as defined in the Asset Purchase Agreement dated July 29, 2005 by and among the Debtors and Comtel Investments LLC) at no additional cost or expense to the Debtors and (iii) other than as set forth above and except for claims relating to the Company's obligation to indemnify Houlihan Lokey as provided under the Agreement, the Company is hereby released from any claims that Houlihan Lokey has against the Company, and no further obligations to pay commissions or other consideration to Houlihan Lokey exist under the Agreement for any transaction that may be entered into by the Company in the future.

**### END OF ORDER ###**

**AGREED TO AND ACCEPTED:**

**VINSON & ELKINS L.L.P.**

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*After entry, return copy to:*

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