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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.,	9 §	CASE NO. 04-81694-HDH-11
DEBTORS.	§ &	(Chapter 11)
DEBTOKS.	8	(Jointly Administered)

## REPORT OF SALE OF PERSONALPROPERTY AND NOTICE OF REIMBURSEMENT OF EXPENSES (ADDISON II LOCATION)

Pursuant to the Court's Order Approving Sale of Personal Property (Addison II Location) [Docket No. 1793] (the "Sale Order") entered on August 24, 2005, <sup>1</sup> the above-referenced debtors and debtors in possession (collectively, the "Debtors")<sup>2</sup> sold the Property identified on the table attached hereto as **Exhibit A** to the participants at the Auction identified on the table attached hereto as **Exhibit B**. Pursuant to the Court's Second Order Approving Retention of Rosen Systems, Inc. as Liquidator and Auctioneer [Docket No. 991] (the "Rosen Order") entered on February 24, 2005, the

<sup>&</sup>lt;sup>1</sup> Capitalized terms not defined herein shall have the meaning given to them in the Sale Order.

<sup>&</sup>lt;sup>2</sup> 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.

Court approved the employment of Rosen Systems, Inc. ("Rosen Systems") to provide

services relating to the sale of the Property (the "Sale") and authorized the payment to

Rosen Systems of (i) a fee of ten percent of the gross amount realized from the sale of

the Property at the Auction, payable by the respective buyers as a "buyer's premium"

(the "Fee"); and (ii) its expenses (the "Expenses") as an actual deduction from the gross

proceeds from the Sale.

The auction was held on August 30, 2005, and the Auction generated gross

proceeds exclusive of the Fee (buyer's premium) in the aggregate amount of

\$92,775.50 (the "Gross Proceeds"). As more fully set forth in **Exhibit C** attached

hereto, Rosen Systems incurred Expenses in the aggregate amount of \$8,914.69 in

contemplation of the Sale. Pursuant to the Rosen Order, Rosen Systems has been

paid its Fee and received reimbursement of its Expenses without further Court approval.

After deduction of the Expenses, the net proceeds from the Sale are \$83,860.81,

which has been received by the Debtors.

Dated: September \_\_\_, 2005

Respectfully submitted,

VINSON & ELKINS L.L.P.

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By:

/s/ Richard H. London

Daniel C. Stewart, SBT #19206500 William L. Wallander, SBT #20780750

Richard H. London, SBT #24032678

ATTORNEYS FOR THE DEBTORS

## **CERTIFICATE OF SERVICE**

This is to certify that on September 30, 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	
NASTZ 4 DOO	One of Counsel	

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