



**ENTERED**

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

**The following constitutes the order of the Court.**

**Signed October 3, 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-HDH-11**

**(Chapter 11)  
(Jointly Administered)**

**ORDER APPROVING COMPROMISE AND  
SETTLEMENT WITH TELEGLOBE ENTITIES**

On September 29, 2005, the Court considered the Motion to Approve Compromise and Settlement with Teleglobe Entities [Docket No. 1854] (the "Motion")<sup>1</sup> filed by the above-referenced debtors and debtors in possession (collectively, the "Debtors"). The Court finds that the relief requested in the Motion is in the best interest of the Debtors' estates and creditors, that the Settlement is fair and equitable and that adequate notice of this Motion has been given and no other notice needs to be given. Therefore, it is

**ORDERED** that the Motion is in all things **GRANTED**. It is further

<sup>1</sup> Capitalized terms not defined herein shall have the meaning given to them in the Motion.

**ORDERED** that the Settlement Agreement is approved. It is further

**ORDERED** that the Debtors are authorized to execute the Settlement Agreement and to execute, deliver, implement, and fully perform any and all obligations, instruments, documents and papers and to take any and all actions reasonably necessary or appropriate to consummate the settlement and perform any and all obligations contemplated under the Settlement Agreement., including without limitation, distribution of the funds in the Teleglobe Account to the Teleglobe Entities in the sum of \$300,000.00 and the balance (the "Balance") to Rural Telephone Finance Cooperative (the "RTFC"); provided that with respect to the payment made to the RTFC, all rights and remedies of all interested parties, if any, to object to, seek avoidance of or subordination of, and assert defenses, offsets, recoupment rights, and counterclaims to any lien, claim, right, interest, and/or encumbrance asserted against the Balance are hereby expressly preserved such that the RTFC shall be obligated to pay the Balance to the Debtors, as determined by this Court, in the event of a final determination that RTFC is not entitled to receive and retain same.

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

*Upon entry, return copy to:*

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