

**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")¹ 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

¹ 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:

Richard H. London
VINSON & ELKINS L.L.P.
Trammell Crow Center
2001 Ross Avenue, Suite 3700
Dallas, Texas 75201-2975
Tel: 214.661.7299
Fax: 214.220.7716
VarTec@velaw.com

ATTORNEYS FOR THE DEBTORS

1017113_1.DOC

Enterprise Systems Incorporated
11487 Sunset Hills Road
Reston, Virginia 20190-5234

CERTIFICATE OF SERVICE

District/off: 0539-3
Case: 04-81694

User: bsimpson
Form ID: pdf012

Page 1 of 1
Total Served: 1

Date Rcvd: Oct 03, 2005

The following entities were served by first class mail on Oct 05, 2005.
aty +Richard H. London, Vinson & Elkins, LLP, 3700 Trammell Crow Center, 2001 Ross Ave.,
Dallas, TX 75201-2998

The following entities were served by electronic transmission.
NONE.

TOTAL: 0

***** BYPASSED RECIPIENTS *****

NONE.

TOTAL: 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have served the attached document on the above listed entities in the manner shown, and prepared the Certificate of Service and that it is true and correct to the best of my information and belief.

First Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Oct 05, 2005

Signature: _____

