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ATTORNEYS FOR THE DEBTORS

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE	§	Case No. 04-81694-HDH-11
	§	
	§	(Chapter 11)
VARTEC TELECOM, INC., et al.,	§	(Jointly Administered)
	§	
	§	Hearing Date:
Debtors.	§	December 19, 2005 at 1:30 p.m.
	§	Response Deadline:
	§	December 16, 2005 at 5:00 p.m.

CLAIMS OBJECTION NUMBER 8
OBJECTION TO CLAIM NUMBER 3257 FILED BY DALLAS COUNTY

A HEARING ON THIS MATTER IS SET FOR DECEMBER 19, 2005, AT 1:30 P.M. IN THE COURTROOM OF THE HONORABLE HARLIN D. HALE, 1100 COMMERCE STREET, 14TH FLOOR, DALLAS, TEXAS. IF YOU SEEK TO RESPOND, YOU MUST RESPOND IN WRITING, UNLESS OTHERWISE DIRECTED BY THE COURT, AND FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT BY DECEMBER 16, 2005, AT 5:00 P.M. (PREVAILING CENTRAL TIME). YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PARTIES AND IN THE MANNER INDICATED IN PARAGRAPH 15 OF THE OBJECTION; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

TO THE HONORABLE HARLIN D. HALE, U.S. BANKRUPTCY JUDGE:

The above-referenced debtors and debtors in possession (collectively, the "Debtors")¹ file their Claims Objection Number 8 Objection To Claim Number 3257 Filed By Dallas County (the "Objection"), and in support show as follows:

JURISDICTION AND PROCEDURAL BACKGROUND

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157. This Motion concerns the administration of the estate and is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. On November 1, 2004 (the "Petition Date"), the Debtors each filed a petition for relief thereby commencing the above-captioned bankruptcy cases (collectively, the "Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

4. Since the Petition Date, the Debtors have continued to operate and manage their businesses as debtors in possession pursuant to Bankruptcy Code §§ 1107(a) and 1108.

5. The Cases are jointly administered under Case No. 04-81694-HDH-11.

STATEMENT OF FACTS

6. On November 2, 2004, the Notice of Chapter 11 Bankruptcy Case, Meeting of Creditors, and Deadlines [Docket No. 53] (the "Bar Date Notice") was filed and promptly served. Among other things, the Bar Date Notice established March 14,

¹ 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.

2005 as the last day by which any person or entity (excluding any Excel Independent Representative² or any governmental unit³) holding or asserting a claim⁴ must have filed a proof of claim for such claim to have been timely filed. Further, the Bar Date Notice established May 2, 2005 as the last day by which any governmental unit holding or asserting a claim must have filed a proof of claim for such claim to have been timely filed.

7. The Debtors' claims and noticing agent, The BMC Group, Inc. ("BMC"), provided notice of the bar dates and a proof of claim form to the persons and entities set forth in the Certificate of Service filed by BMC on or about November 8, 2004 [Docket No. 136], by the methods described therein. Proof of claim forms and bar date information also was provided by the Debtors to persons and entities upon request.

8. Over three thousand proofs of claims (the "Proofs of Claims") have been filed in the Cases, asserting amounts owed in excess of \$11 billion. Since the passing of the bar dates, the Debtors have undertaken a review of the Proofs of Claims to reconcile the Debtors' books and records with the number and amount of the claims. The Debtors have determined, for the reasons more fully set forth below, that Proof of Claim numbered 3257 filed by Dallas County should not be allowed because it is inconsistent with the Debtors' books and records.

² On January 31, 2004, the Court entered an Order Suspending the Bar Date for Excel Independent Representatives to File Proofs of Claim [Docket No. 872], pursuant to which the General Bar Date was suspended as to the Excel Independent Representatives.

³ Pursuant to 11 U.S.C. § 502(b)(9).

⁴ As "claim(s)" is defined in 11 U.S.C. § 101(5).

RELIEF REQUESTED

9. The Debtors object to the Proof of Claim of Dallas County (the "Claim") which has been denominated claim number 3257, and which has been filed as an administrative claim in the amount of \$871,176.40 for ad valorem taxes. The Claim is inconsistent with the Debtors' books and records, and the documentation offered by the claimant does not sufficiently support the claim or priority of such claim.

10. The Debtors request that the Court expunge the Claim and disallow the claims asserted therein. Such relief is necessary and proper to prevent the claimant from recovering amounts on unsubstantiated claims and/or receiving an incorrect priority treatment. There is insufficient documentation attached to the Claim to enable the Debtors to make a more informative response.

RESERVATION OF RIGHTS

11. The Debtors reserve all rights, in the event that the objection to the Claim and the claims asserted therein are not sustained, or in the event that the Claim is not otherwise expunged or the claims therein are not otherwise disallowed, to object to this Claim and the claims asserted therein on other grounds at a later date.

12. The Debtors reserve all rights to amend, modify, or supplement this Objection and to file additional objections to any Proof of Claim that has been or may be filed or otherwise asserted against the Debtors. The Debtors also reserve all rights to amend, modify, or supplement any claim or claim amount scheduled by the Debtors.

13. The Debtors reserve all rights to seek further reductions of any claim to the extent that such claim has been paid or otherwise satisfied.

14. The Debtors reserve all rights to raise further objections under, among other authorities, Bankruptcy Code § 502(d). The filing of this Objection is without

prejudice to the rights of the Debtors to prosecute avoidance actions against the Claimant listed in this Objection.

PROCEDURES FOR FILING RESPONSES TO OBJECTIONS

A. Filing and Service of Responses

15. To contest this Objection, the Claimant must file a written response (a "Response") with the U.S. Bankruptcy Court for the Northern District of Texas, U.S. Courthouse, 1100 Commerce Street, Dallas, Texas 75242, and serve such Response, so as to be received by 5:00 p.m. (Dallas Time) by the Debtors' counsel on December 16, 2005 (the "Response Deadline").

B. Content of Responses

16. Every Response must contain, at a minimum, the following:

- a. a caption setting forth the name of the Court, the names of the Debtors, the case number and the title of the Objection to which the Response is directed;
- b. the name of the Claimant and a description of the basis for the amount of the claim asserted;
- c. a concise statement setting forth the reasons why the Proof of Claim should not be expunged and the claim asserted therein not be disallowed or modified for the reasons set forth in the Objection, including, but not limited to, the specific factual and legal bases upon which the Claimant will rely in opposing the Objection;
- d. all documentation or other evidence, to the extent not included with the Proof of Claim previously filed with the Court, upon which the Claimant will rely in opposing the Objection;

- e. the address(es) to which the Debtors must return any reply to the Response, if different from that presented on the Proof of Claim;
- f. the name, address, and telephone number of the person (which may be the Claimant or the Claimant's legal representative) possessing ultimate authority to reconcile, settle, or otherwise resolve matters related to the Proof of Claim on behalf of the Claimant; and
- g. if the Claimant intends to introduce evidence or witnesses in support of the Response, an identification with reasonable particularity and appropriate notice of any proposed evidence and witnesses.

C. Timely Response Required

17. If a Response is properly and timely filed and served in accordance with the above-described procedures, the Debtors will endeavor to reach a consensual resolution with the Claimant. If no consensual resolution is reached, the Debtors may request the Court to conduct a hearing with respect to the Objection and the Response.

18. Only those Responses made in writing and timely filed and received will be considered by the Bankruptcy Court at any hearing on the Objection. The Debtors reserve the right to adjourn a hearing with respect to a specific objection set forth herein and any Response hereto.

19. If the Claimant who is served with the Objection fails to timely file and serve a Response in compliance with the foregoing procedures, the Debtors will present to the Court an appropriate order reflecting relief consistent with this Objection without further notice to the Claimant.

D. Service Address

20. If a Response contains an address for the Claimant that is different than the address listed for that Claimant on the Proof of Claim, the address in the Response shall constitute the service address for future service of papers upon that Claimant until the Debtors receive written notice from the Claimant of a changed service address.

E. Replies to Responses

21. The Debtors may, at their option, file and serve a reply to a Response, but a reply is not required.

NOTICE

22. The Debtors will serve copies of this Objection by first class, U.S. Mail, postage prepaid upon the Claimant, at the address listed in the Proof of Claim. Copies of this Objection also shall be served upon the U.S. Trustee, counsel for the RTFC, and counsel for the Official Committee of Unsecured Creditors.

PRAYER

The Debtors respectfully request that the Court enter an order granting the relief requested herein and such other or further relief as to which the Debtors may be entitled.

Dated: November 16, 2005.

Respectfully submitted,

VINSON & ELKINS L.L.P.

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By: /s/ Holly J. Warrington
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ATTORNEYS FOR THE DEBTORS

CERTIFICATE OF SERVICE

This is to certify that on November 16, 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. On November 16, 2005 a copy of the foregoing document was served by first-class, U.S. Mail, postage prepaid, upon (i) the U.S. Trustee, (ii) counsel for the RTFC, (iii) counsel for the Official Committee of Unsecured Creditors, and (iv) the Claimant at the address below.

Claimant:

Elizabeth Weller
Michael W. Deeds
Laurie A. Spindler
Linebarger Goggan Blair & Sampson LLP
2323 Bryan Street, Suite 1600
Dallas, TX 75201-2691

By: /s/ Holly J. Warrington
One of Counsel

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