

Exhibit “C”

**Notice of Approval of Global Settlement of
Claims Held by Excel's Independent Representatives**

VarTec Telecom, Inc. and sixteen of its direct and indirect subsidiaries, including Excel Telecommunications, Inc. and Excel Communications Marketing, Inc. (collectively, "Excel"), are debtors and debtors in possession (the "Debtors") in jointly administered cases styled *In re VarTec Telecom, Inc., et al.*, Case No. 04-81694-HDH-11 (the "Bankruptcy Cases") pending before the United States Bankruptcy Court for the Northern District of Texas (Dallas Division) (the "Bankruptcy Court"). By order entered December 9, 2004, the Bankruptcy Court appointed an Official Committee of Excel Independent Representatives (the "IR Committee") to represent the interests of all independent representatives of Excel ("IRs") and to negotiate a global and comprehensive settlement of their claims against the Debtors. You have been identified by the business records of the Debtors as an independent representative of Excel who may have claims against the bankruptcy estates of Excel and/or the other Debtors.

The Debtors, the IR Committee, and the Debtors' senior secured lender, the Rural Telephone Finance Cooperative ("RTFC"), have reached a comprehensive compromise and settlement ("Global IR Settlement") of all claims held by independent representatives of Excel who were active as of November 1, 2004 (the "Petition Date"), according to the business records of the Debtors (the "Eligible IRs").¹ The Global IR Settlement is evidenced by that certain Settlement Agreement dated _____, 2005 ("Settlement Agreement").² The Bankruptcy Court entered an Order approving the Global IR Settlement on [December __, 2005]. The IR Committee believes that the treatment of the claims in the Global IR Settlement is fair and reasonable and in the best interests of all Eligible IRs.

The Global IR Settlement provides, among other things, for the classification and treatment of all claims held by Eligible IRs (the "IR Claims") who participate in the Global IR Settlement (the "Settling IRs") in the amounts set forth in the Debtors' schedule of IR Claims (the "IR Schedule"), which has been filed with the Bankruptcy Court, and which you may view by going to www.myexcel.com. The Global IR Settlement also provides for the granting of releases by the Settling IRs of all IR Claims held by them and/or the IR Committee, of whatever kind or character, whether known or unknown, against (i) the Debtors, their affiliates, and their respective officers, directors, employees, agents, and attorneys who served in such capacity on or after the Petition Date, and (ii) the RTFC, its affiliates, and their respective officers, directors, employees, agents, and attorneys who served in such capacity prior to or as of the IR Payment Date. In general terms, the Global IR Settlement divides the universe of all IR claims into seven classes and treats the claims within such classes as follows:

Classification	Treatment of Claims
Class A – 10-Day Rescission Period Claims (for new fees received by the Debtors on or between October 22, 2004 and October 31, 2004)	Class A Claims will be paid in full by a check drawn on a specially established bank account of the Debtors (a " <u>Settlement Check</u> ") mailed on the IR Payment Date.
Class B Claims – Prepetition Recruiting Commissions and Ambassador/ESD/SD Pool Claims	Class B Claims will be allowed as priority claims pursuant to section 507(a)(3) of the Bankruptcy Code up to the statutory maximum of \$4,925 per Settling IR for the combined amount of such Settling IR's Class B Claims and Class C Claims (the " <u>Combined Priority Amount</u> "). Such priority claims will be paid by Settlement Check mailed to the Settling IR on the IR Payment Date. That portion of a Settling IR's Class B Claim in excess of the Combined Priority Amount, if any, will be allowed, in full, upon the occurrence of the IR Payment Date, as a pre-petition general unsecured claim and treated under any plan of reorganization or liquidation confirmed and consummated in these Cases (the " <u>Plan</u> ") as an allowed general unsecured claim in accordance with the Settlement Agreement.
Class C Claims – Prepetition Usage Commissions	Class C Claims will be allowed as priority claims pursuant to section 507(a)(3) of the Bankruptcy Code up to the Combined Priority Amount upon occurrence of the IR Payment Date. Such priority claims will be paid by Settlement Check mailed to the Settling IR on the IR Payment Date. That portion of a Settling IR's Class C Claims in excess of the Combined Priority Amount, if any, will be allowed, in full, upon the occurrence of the IR Payment Date, as a pre-petition general unsecured claim and treated under the Plan as an allowed general unsecured claim in accordance with the Settlement Agreement.
Class D Claims – Post-Petition Usage Commissions	Class D Claims will be waived, released, and forever discharged on the IR Payment Date. No Distribution will be made on account Class D Claims.
Class E Claims –Unused Enrollment, Training, or Renewal Fees Paid for Twelve Months prior to the Petition Date (expressly excluding Class A Claims)	Each Class E Claim shall receive in full satisfaction of such Class E Claim a pro rata share of \$600,000 calculated as provided in the Settlement Agreement. Each Class E Claim will be paid by Settlement Check mailed on the IR Payment Date.
Class F Claims – Post-Petition Payments Received by Debtors (Any Fees, Deposits, etc.)	Each holder of a Class F Claim will be paid his Class F Claim, in full, by Settlement Check mailed on the IR Payment Date.

¹ The Global IR Settlement neither compromises nor settles claims of any person or entity who is not an Eligible IR. Thus, the claims (if any) of (i) former IRs who were no longer active as of the Petition Date and (ii) independent representatives of the non-U.S. Excel entities, are not compromised or settled in the Global IR Settlement.

² All capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Settlement Agreement.

Classification	Treatment of Claims
Class G Claims – Miscellaneous Claims against the Released Parties (Expense Reimbursement, Tort Claims, Breach of Contract Claims, and any other IR Claim not included in Class A through F)	Class G Claims will be waived, released and forever discharged on the IR Payment Date. No Distribution will be made on account of Class G Claims.

Subject to and in accordance with the Settlement Agreement, any IR Claim allowed or distribution made under the Global IR Settlement to Settling IRs will be subject to and net of the Debtors' rights of setoff or recoupment, if any ("**Setoff Rights**"), for (i) credit card chargebacks, payment reversals, credits, or other refunds in favor of such Settling IR in respect of any payments made by such Settling IR to the Debtors and later reversed or voided and (ii) any outstanding loan of such Settling IR owing to the Debtors that remains unsatisfied as of the IR Payment Date, to be applied as set forth in the Settlement Agreement. To the extent the Debtors' Setoff Rights exceed the combined amount of any Distribution and/or allowed unsecured claim, if any, the Debtors shall be entitled to seek recovery from such Settling IR in accordance with applicable law. The Debtors also shall be authorized, but not required, to withhold from any Distribution amounts required to be withheld pursuant to any valid governmental, court, or administrative order to garnish or levy a Settling IR's compensation.

You may review the amounts listed in the IR Schedule, including the applicable setoff amounts, by going to www.myexcel.com or requesting a copy of the IR Schedule by letter sent via U.S. Mail or facsimile to Vinson & Elkins L.L.P., attn: Pam Lewis, 2001 Ross Avenue, Suite 3700, Dallas, Texas, 75201; Facsimile No. (214) 999-7729.

Regardless of whether a proof of claim has been filed by an Eligible IR in the Bankruptcy Cases, the amount of the claim(s) reflected on the IR Schedule will control for purposes of the Global IR Settlement. If you disagree with and wish to dispute the amount reflected on the IR Schedule, or if you do not wish to participate in the Global IR Settlement, you must opt out of (*i.e.*, elect not to participate in) the Global IR Settlement and pursue your claim through the normal claims allowance process in the Bankruptcy Case(s). Any Eligible IR who does not timely opt out of the Global IR Settlement shall be deemed to accept as accurate the scheduled amount of that Eligible IR's claim(s) as reflected on the IR Schedule. Furthermore, **any Eligible IR who does not timely opt out of the Global IR Settlement shall be deemed to have elected to participate in the Global IR Settlement and will be subject to and bound by the terms of the Settlement Agreement, including the releases contained therein.**

In addition to providing you with access to the information regarding your IR Claim(s), the website will also provide you access to, among other things, (1) a copy of the Settlement Motion, (2) a complete copy of the Settlement Agreement, (3) the Order approving the Global IR Settlement, (4) a letter from the IR Committee supporting the Global IR Settlement, (5) answers to frequently asked questions (FAQs) concerning the Global IR Settlement, (6) an Opt-Out Election Form you will need to complete and return if you choose to opt out of the Global IR Settlement, and (7) a proof of claim form that you will need to complete and file with the Bankruptcy Court by the IR Bar Date if you timely opt out of the Global IR Settlement and wish to assert a claim against the Debtors. You may also obtain copies of these documents by sending a written request via U.S. Mail or facsimile to Vinson & Elkins L.L.P., attn: Pam Lewis, 2001 Ross Avenue, Suite 3700, Dallas, Texas, 75201; Facsimile No. (214) 999-7729.

If you choose to opt out of the Global IR Settlement, you will not be entitled to receive any of the benefits thereunder, and you will have to pursue your claim(s), if any, in the Bankruptcy Cases by filing a timely proof of claim. Proofs of claim shall be sent to the Debtors' claims agent at the following address: (i) if via first class United States mail, VarTec Telecom, Inc. c/o BMC Group, P.O. Box 1011, El Segundo, California, 90245-1011, and (ii) if via hand delivery or overnight courier, VarTec Telecom, Inc. c/o BMC Group, 1330 E. Franklin Avenue, El Segundo, California, 90245. **The proof of claim deadline for those Eligible IRs who validly opt out of the Global IR Settlement has been set by the Bankruptcy Court as [February 21, 2006].** There is no guarantee that if you opt out you will receive any money on account of your claim(s).

If you determine that it is in your best interest to **opt out** of the Global IR Settlement, you must affirmatively make an opt out election by giving written notification to the Debtors by completing the Opt-Out Election Form entitled *Notice of Intent to Exercise Opt Out Election*, which may be obtained by going to www.myexcel.com or by sending a letter requesting a copy, via U.S. Mail or facsimile, to Vinson & Elkins L.L.P., attn: Pam Lewis, 2001 Ross Avenue, Suite 3700, Dallas, Texas, 75201; Facsimile No. (214) 999-7729, and mailing the completed form to the following: **Vinson & Elkins L.L.P., Attn: Pam Lewis, 2001 Ross Avenue, Suite 3700, Dallas, Texas 75201.**

Any Opt-Out Election Form must be actually received by the Debtors on or before [January 11, 2006] at 5:00 p.m., prevailing Central time, to be effective (the "**Opt-Out Deadline**"). Facsimile transmissions of the Opt-Out Election Form will not be accepted. If the Opt-Out Election Form is not timely received by the Debtors as provided herein, you will be deemed to be bound by the terms of the Settlement Agreement, including the releases contained therein.

This Notice contains only a summary of material terms of the Global IR Settlement. It is not intended to be a comprehensive description of, or a substitute for, the Settlement Agreement. You should consult the actual Settlement Agreement for the specific terms and conditions of the proposed settlement and the procedures for participating in or rejecting same. To the extent the description of the Global IR Settlement contained in this Notice conflicts with the express provisions of the Settlement Agreement, the express provisions of the Settlement Agreement shall control.