

# Exhibit “E”

OFFICIAL COMMITTEE OF EXCEL REPRESENTATIVES

TO: Excel Independent Representatives

FROM: Official Committee of Excel Independent Representatives (the "IR Committee")

RE: *VarTec Telecom, Inc., et al.* (the "Debtors")  
Chapter 11 Case No. 04-81694-HDH-11, Jointly Administered (the "Cases")

DATE: \_\_\_\_\_, 2005

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The IR Committee was appointed by the United States Bankruptcy Court for the Northern District of Texas (Dallas Division) (the "Bankruptcy Court") in December 2004 to represent the interests of all independent representatives (collectively, the "IRs") of Excel Telecommunications, Inc. and/or Excel Communications Marketing, Inc. (collectively, "Excel") in the Cases. Among other things, the Bankruptcy Court instructed the IR Committee to pursue a comprehensive compromise and settlement of all claims of the IRs against the Debtors.

In February 2005, the Bankruptcy Court approved the Debtors' rejection of their agreements with all IRs, effective as of November 1, 2004 (the "Petition Date"). This meant that the Debtors were no longer bound to perform under the agreements Excel had with each of you following the Petition Date. Nonetheless, the IR Committee has continued to pursue the IRs' claims for the benefit of all IRs in the Cases.

After months of negotiations, the IR Committee, the Debtors and the Debtors' senior secured lender, the Rural Telephone Finance Cooperative ("RTFC"), have reached a comprehensive compromise and settlement (the "Global IR Settlement") of the claims asserted against the Debtors' estates held by those IRs who were active as of the Petition Date according to the business records of the Debtors (collectively, the "Eligible IRs"). The Global IR Settlement includes releases by Eligible IRs who participate (collectively, the "Settling IRs") in favor of, among others, the Debtors, the RTFC, their affiliates, and certain of their respective officers, directors, employees, agents, and attorneys. The Global IR Settlement terms are set forth in that certain Settlement Agreement, dated as of \_\_\_\_\_, 2005 (the "Settlement Agreement"), the complete text of which is available at [www.myexcel.com](http://www.myexcel.com). The Global IR Settlement has been approved by the Bankruptcy Court. Under the terms of the Settlement Agreement, Eligible IRs may participate or not participate (*i.e.*, "opt out") in the Global IR Settlement.

**THE IR COMMITTEE RECOMMENDS THAT YOU PARTICIPATE IN THE GLOBAL IR SETTLEMENT AND BELIEVES THAT IT IS IN THE BEST INTERESTS OF ALL ELIGIBLE IRs HOLDING IR CLAIMS AGAINST THE DEBTORS.**

The Settlement Agreement contains extensive information about the treatment of the claims of Eligible IRs. ***The IR Committee urges you to read the Settlement Agreement carefully before you decide whether or not to participate in the Global IR Settlement.*** You should make your determination in consultation with your own advisors and professionals.

If you elect to opt out of the Global IR Settlement, it is important that you complete, sign, and mail an Opt-Out Election Form to the Debtors in accordance with the instructions contained in the Notice of Approval of Global IR Settlement of Claims Held by Excel's Independent Representatives approved by the Bankruptcy Court. The Opt-Out Election Form must be received by the Debtors on or before **[January 11, 2006]**.

**If you are an Eligible IR and you choose to participate in the Global IR Settlement as urged by the IR Committee, no further action by you is required.**

OFFICIAL COMMITTEE OF EXCEL  
INDEPENDENT REPRESENTATIVES

By: \_\_\_\_\_  
Brian R. McClure, Chairman