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ATTORNEYS FOR THE RURAL
TELEPHONE FINANCE COOPERATIVE

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

IN RE: §
§
VARTEC TELECOM, INC., et al., § **Case No. 04-81694-HDH-11**
§ **(Chapter 11)**
§
Debtors. §

**LIMITED OBJECTION OF THE RURAL TELEPHONE FINANCE COOPERATIVE
TO CARRINGTON, COLEMAN, SLOMAN & BLUMENTHAL, L.L.P.'S
THIRD INTERIM APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES AND REQUEST FOR
PAYMENT OF THE TWENTY PERCENT HOLDBACK**

COMES NOW the Rural Telephone Finance Cooperative (the "RTFC") and hereby files this limited objection to Carrington, Coleman, Sloman & Blumenthal, L.L.P.'s Third Interim Application for Compensation and Reimbursement of Expenses and Request for Payment of the Twenty Percent Holdback (the "Fee App"), which was filed by Carrington, Coleman, Sloman, & Blumenthal ("CCSB"), and, in support thereof, would respectfully show the following:

PRELIMINARY STATEMENT

1. RTFC seeks to preserve its objection that the fees requested by CCSB in the Fee App should be reduced because a significant portion of the fees requested in the Fee App are attributable to work done investigating and preparing for claims and perhaps suits against the former directors and officers of VarTec and its affiliates. More than one third of the total fees requested, \$229,280.00, fall within this task or group of tasks. RTFC maintains that the Court should require evidence that the conducted investigations have provided an identifiable, tangible, material benefit to the estate.

REQUESTED LIMITED RELIEF

2. In the Fee App, CCSB seeks allowance of \$229,280.00 attributable to investigation of the actions of and potential liabilities of the Debtors' directors and officers. The Committee has been authorized, but not directed, to file any necessary actions on behalf of the estate. The Fee App does not appear to contain a showing under 11 U.S.C. §330 of benefit to the estate. RTFC seeks to preserve its objection with respect to the fees incurred by CCSB in connection with the directors and officers claims/litigation until such time as a showing of benefit to the estate can be made, as well as a finding of economic value.

3. In light of the Court's November 29, 2005 ruling that it is premature to measure the fees and expenses of CCSB against the benefit of the estates at this time, RTFC does not request a further interim hearing in connection with this limited objection.

4. RTFC respectfully requests the Court to allow it to preserve its objection until the time of hearing of CCSB's final fee application.

WHEREFORE, PREMISES CONSIDERED, RTFC respectfully requests that this Court take notice of its limited objection, and allow its objections to be preserved in the language of any order awarding fees of CCSB on an interim basis.

Dated: December 13, 2005.

Respectfully submitted,

FULBRIGHT & JAWORSKI L.L.P.

By /s/ Ryan E. Manns
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