



The following constitutes the order of the Court.

Harlin DeWayne Hale
United States Bankruptcy Judge

Signed December 20, 2005

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

IN RE:

VARTEC TELECOM, INC., et al.,

DEBTORS.

§
§
§
§
§
§

CASE NO. 04-81694-HDH-11

**(Chapter 11)
(Jointly Administered)**

**ORDER REGARDING DEBTORS' CLAIMS OBJECTION NUMBER 7
OBJECTION TO CERTAIN TAX CLAIMS (SUBSTANTIVE OBJECTIONS)**

On December 13, 2005, the Court considered the Claims Objection Number 7 Objection to Certain Tax Claims (Substantive Objections) [Docket No. 2065] (the "Objection")¹ filed by the above-referenced debtors (the "Debtors"). The Court **FINDS** that (i) proper and sufficient notice of the Objection has been provided and that no further notice is necessary; (ii) it has jurisdiction over the matters raised in the Objection pursuant to 28 U.S.C. §§ 157 and 1334; and (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Therefore, the Court

¹ Capitalized terms not defined herein shall have the meaning given to them in the Objection.

SUSTAINS the Objection as set forth below; and further

ORDERS that each Proof of Claim listed in the chart below is expunged and the claims asserted therein are disallowed, unless there is an amount set forth in the “Amount to be Allowed” column. The amounts in the “Amount to be Allowed” column shall be allowed claims in the amount, priority, and Debtor’s case indicated in the chart below.

Claim No.	Creditor Name	Amount	Unsecured, Secured, Priority, Admin.	Case No.	Case Name	Amount to be Allowed
139	CITY OF ELKTON	\$877.00	Priority	04-81698	Excel Telecommunications, Inc.	
257	CITY OF BOWLING GREEN KY	\$7.00	Priority	04-81698	Excel Telecommunications, Inc.	\$7.00 General Unsecured
258	CITY OF BOWLING GREEN KY	\$7.36	Priority	04-81698	Excel Telecommunications, Inc.	\$7.36 General Unsecured
493	CITY OF MT WASHINGTON	\$296.56	Priority	04-81698	Excel Telecommunications, Inc.	\$296.56 General Unsecured
532	COMMONWEALTH OF KENTUCKY	\$37,098.28	Priority	04-81694	VarTec Telecom, Inc.	\$37,098.28 General Unsecured
695	CITY OF NICHOLASVILLE KENTUCKY	\$142.32	Priority	04-81698	Excel Telecommunications, Inc.	\$6.42 Unsecured Priority \$135.90 General Unsecured
697	CITY OF DAYTON KENTUCKY	\$4.63	Priority	04-81694	VarTec Telecom, Inc.	\$4.63 General Unsecured
778	NEW YORK STATE DEPT OF TAXATION & FINANCE	\$894.08	Priority	04-81704	Telco Communications Group, Inc.	
781	MISSOURI DEPT OF REVENUE	\$72.67	Priority	04-81706	VarTec Solutions, Inc.	\$72.67 General Unsecured
811	CITY OF EULESS	\$300.00	Priority	04-81694	VarTec Telecom, Inc.	\$201.69 Unsecured Priority
910	CITY OF LUDLOW	\$57.75	Priority	04-81698	Excel Telecommunications, Inc.	\$57.75 General Unsecured
982	STATE OF FLORIDA DEPT OF REVENUE	\$5,597.57	Unsecured, Priority	04-81694	VarTec Telecom, Inc.	
1001	ANCHORAGE BOARD OF EDUCATION	\$32.54	Priority	04-81694	VarTec Telecom, Inc.	\$32.54 General Unsecured

Claim No.	Creditor Name	Amount	Unsecured, Secured, Priority, Admin.	Case No.	Case Name	Amount to be Allowed
1054	LEXINGTON FAYETTE URBAN COUNTY GOVT	\$170,807.14	Priority	04-81698	Excel Telecommunications, Inc.	
1055	LEXINGTON FAYETTE URBAN COUNTY GOVT	\$540.95	Priority	04-81694	VarTec Telecom, Inc.	
1133	ELBERT COUNTY	\$899.92	Priority	04-81698	Excel Telecommunications, Inc.	
1240	STATE OF NEW HAMPSHIRE DEPT OF REVENUE	\$386.75	Unsecured, Priority	04-81698	Excel Telecommunications, Inc.	\$386.75 General Unsecured
1331	CITY OF MODESTO	\$2,231.83	Priority	04-81694	VarTec Telecom, Inc.	\$1,782.45 Unsecured Priority \$449.38 General Unsecured
1332	CITY OF MODESTO	\$2,236.91	Priority	04-81698	Excel Telecommunications, Inc.	\$1,789.49 Unsecured Priority \$447.42 General Unsecured
1342	COMMONWEALTH OF MASSACHUSETTS	\$19,968.64	Unsecured, Priority	04-81702	Telco Network Services, Inc.	
1537	GEORGIA DEPT OF REVENUE	\$43,465.00	Unsecured, Priority	04-81704	Telco Communications Group, Inc.	
1538	GEORGIA DEPT OF REVENUE	\$935,785.70	Unsecured, Priority	04-81694	VarTec Telecom, Inc.	
1558	CUYAHOGA COUNTY TREASURER	\$19,521.02	Priority	04-81694	VarTec Telecom, Inc.	
1565	KANSAS DEPT OF REVENUE	\$2,063.42	Unsecured, Priority	04-81698	Excel Telecommunications, Inc.	
1566	STATE OF LOUISIANA DEPT OF REVENUE	\$3,007.13	Priority	04-81694	VarTec Telecom, Inc.	
1570	KANSAS DEPT OF REVENUE	\$1,326.77	Unsecured, Priority	04-81694	VarTec Telecom, Inc.	
1571	STATE OF LOUISIANA DEPT OF REVENUE	\$1,506.21	Unsecured, Priority	04-81698	Excel Telecommunications, Inc.	\$1,026.00 Unsecured Priority
1572	STATE OF LOUISIANA DEPT OF REVENUE	\$100.00	Priority	04-81706	VarTec Solutions, Inc.	\$25.57 Unsecured Priority
1579	MISSISSIPPI STATE TAX COMMISSION	\$1,307.95	Unsecured, Priority	04-81694	VarTec Telecom, Inc.	
1632	GEORGIA DEPT OF REVENUE	\$187,276.47	Unsecured, Priority	04-81706	VarTec Solutions, Inc.	
1756	ILLINOIS DEPT OF REVENUE	\$15,580.99	Priority	04-81698	Excel Telecommunications, Inc.	

Claim No.	Creditor Name	Amount	Unsecured, Secured, Priority, Admin.	Case No.	Case Name	Amount to be Allowed
1846	CITY OF KANSAS CITY REVENUE DIVISION	\$7,681.49	Unsecured, Priority	04-81694	VarTec Telecom, Inc.	\$3,753.24 General Unsecured
1997	GEORGIA DEPT OF REVENUE	\$1,196.00	Unsecured, Priority	04-81698	Excel Telecommunications, Inc.	\$36.00 Unsecured Priority \$60.00 General Unsecured
2079	STATE OF NEW JERSEY	\$3,572.86	Admin.	04-81694	VarTec Telecom, Inc.	
2080	STATE OF NEW JERSEY	\$87,555.41	Priority	04-81694	VarTec Telecom, Inc.	
2081	STATE OF NEW JERSEY	\$34,000.00	Secured	04-81694	VarTec Telecom, Inc.	
2116	TEXAS COMPTROLLER OF PUBLIC ACCOUNTS	\$13,937.73	Priority	04-81698	Excel Telecommunications, Inc.	\$13,937.73 General Unsecured
2156	TREASURER OF ARAPAHOE COUNTY	\$179,063.49	Secured, Priority, Admin.	04-81694	VarTec Telecom, Inc.	
2948	OKLAHOMA TAX COMMISSION	\$292.70	Unsecured, Priority	04-81695	Excel Communications Marketing, Inc.	
2954	CITY OF BOWLING GREEN KY	\$80.19	Priority	04-81694	VarTec Telecom, Inc.	\$80.19 General Unsecured
2977	TENNESSEE DEPT OF REVENUE	\$3,755,911.10	Priority	04-81694	VarTec Telecom, Inc.	
3104	VERMONT DEPT OF TAXES	\$1,845.36	Unsecured, Priority	04-81694	VarTec Telecom, Inc.	
3124	STATE OF MICHIGAN DEPT OF TREASURY	\$257,044.07	Priority	04-81698	Excel Telecommunications, Inc.	
3152	CITY OF NEW YORK THE	\$266,750.00	Priority	04-81702	Telco Network Services, Inc.	
3153	CITY OF NEW YORK THE	\$277,915.00	Priority	04-81698	Excel Telecommunications, Inc.	
3154	CITY OF NEW YORK THE	\$759,550.00	Priority	04-81694	VarTec Telecom, Inc.	
3199	NEW YORK STATE DEPT OF TAXATION & FINANCE	\$2,654,218.86	Unsecured, Priority	04-81706	VarTec Solutions, Inc.	
3201	NEW YORK STATE DEPT OF TAXATION & FINANCE	\$8,330,926.97	Unsecured, Secured, Priority	04-81698	Excel Telecommunications, Inc.	
3204	CHAFFEE COUNTY TREASURER	\$1,805.46	Priority	04-81694	VarTec Telecom, Inc.	
3218	STATE OF FLORIDA DEPT OF REVENUE	\$699.69	Admin.	04-81695	Excel Communications Marketing, Inc.	
3219	RI DIVISION OF TAXATION	\$3,767.74	Priority	04-81698	Excel Telecommunications, Inc.	
3233	ADAMS COUNTY	\$4,680.95	Priority	04-81694	VarTec Telecom, Inc.	

Claim No.	Creditor Name	Amount	Unsecured, Secured, Priority, Admin.	Case No.	Case Name	Amount to be Allowed
3237	NEW YORK STATE DEPT OF TAXATION & FINANCE	\$1,216.59	Admin.	04-81694	VarTec Telecom, Inc.	
3239	STATE OF MARYLAND DEPT OF ASSESSMENTS & TAXATION	\$10,421.00	Priority	04-81694	VarTec Telecom, Inc.	
3240	STATE OF MARYLAND DEPT OF ASSESSMENTS & TAXATION	\$847.00	Priority	04-81706	VarTec Solutions, Inc.	\$771.00 Unsecured Priority \$76.00 General Unsecured
3241	STATE OF MARYLAND DEPT OF ASSESSMENTS & TAXATION	\$10,331.00	Priority	04-81698	Excel Telecommunications, Inc.	
3247	STATE OF FLORIDA DEPT OF REVENUE	\$2,449,725.22	Unsecured, Priority	04-81694	VarTec Telecom, Inc.	
3249	CONEJOS COUNTY	\$113.38	Priority	04-81698	Excel Telecommunications, Inc.	
3250	INDIANA DEPT OF REVENUE	\$503.88	Secured	04-81695	Excel Communications Marketing, Inc.	\$503.00 General Unsecured
3264	CITY OF BOSTON MASSACHUSETTS	\$19,455.30	Priority	04-81702	Telco Network Services, Inc.	\$3,000.00 Unsecured Priority
3268	NEW YORK STATE DEPT OF TAXATION & FINANCE	\$6,978,889.58	Unsecured, Priority	04-81694	VarTec Telecom, Inc.	

And further

ORDERS that the hearing on claims in the chart below shall be adjourned to January 17, 2006 at 11:00 a.m. or such other date as the parties agree without further order of this Court resetting the matter.

Claim No.	Creditor Name	Amount	Unsecured, Secured, Priority, Admin.	Case No.	Case Name	Amount to be Allowed
685	MONTANA DEPT OF REVENUE	\$398,177.00	Priority	04-81694	VarTec Telecom, Inc.	
1250	OHIO DEPT OF TAXATION	\$62.45	Priority	04-81704	Telco Communications Group, Inc.	
1343	COMMONWEALTH OF MASSACHUSETTS	\$3,872.33	Unsecured, Priority	04-81706	VarTec Solutions, Inc.	
1352	COMMONWEALTH OF MASSACHUSETTS	\$95,399.37	Priority	04-81698	Excel Telecommunications, Inc.	

Claim No.	Creditor Name	Amount	Unsecured, Secured, Priority, Admin.	Case No.	Case Name	Amount to be Allowed
1496	PENNSYLVANIA DEPT OF REVENUE	\$637.00	Unsecured, Priority	04-81705	VarTec Resource Services, Inc.	
1497	PENNSYLVANIA DEPT OF REVENUE	\$40,233.00	Unsecured, Secured, Priority	04-81698	Excel Telecommunications, Inc.	
1498	PENNSYLVANIA DEPT OF REVENUE	\$129,275.56	Unsecured, Priority	04-81694	VarTec Telecom, Inc.	
1499	PENNSYLVANIA DEPT OF REVENUE	\$350.00	Priority	04-81706	VarTec Solutions, Inc.	
1575	OHIO DEPT OF TAXATION	\$4,653.14	Unsecured, Priority	04-81697	Excel Products, Inc.	
1727	ILLINOIS DEPT OF REVENUE	\$30,000.00	Admin.	04-81694	VarTec Telecom, Inc.	
1728	ILLINOIS DEPT OF REVENUE	\$56,375.00	Priority	04-81694	VarTec Telecom, Inc.	
1729	ILLINOIS DEPT OF REVENUE	\$2,750.00	Admin.	04-81694	VarTec Telecom, Inc.	
1730	ILLINOIS DEPT OF REVENUE	\$608,800.00	Priority	04-81694	VarTec Telecom, Inc.	
1947	SAN JOSE OFFICE OF THE CITY ATTORNEY	\$37,821.84	Unsecured, Priority	04-81694	VarTec Telecom, Inc.	
2935	STATE OF MICHIGAN DEPT OF TREASURY	\$403,215.15	Unsecured	04-81694	VarTec Telecom, Inc.	
2936	STATE OF MICHIGAN DEPT OF TREASURY	\$227,417.71	Priority	04-81694	VarTec Telecom, Inc.	
2939	OHIO DEPT OF TAXATION	\$10,174.86	Unsecured, Priority	04-81698	Excel Telecommunications, Inc.	
2953	TEXAS COMPTROLLER OF PUBLIC ACCOUNTS	\$7,317,102.82	Priority	04-81697	Excel Products, Inc.	
3162	CITY OF LAKEWOOD	\$13,249.50	Priority	04-81694	VarTec Telecom, Inc.	
3210	STATE OF ALABAMA DEPT OF REVENUE	\$1,084.87	Unsecured, Priority	04-81694	VarTec Telecom, Inc.	
3211	STATE OF ALABAMA DEPT OF REVENUE	\$12,382.61	Priority	04-81694	VarTec Telecom, Inc.	
3212	STATE OF ALABAMA DEPT OF REVENUE	\$9,913.74	Priority	04-81694	VarTec Telecom, Inc.	\$2,692.74 General Unsecured
3213	STATE OF ALABAMA DEPT OF REVENUE	\$6,597.51	Priority	04-81694	VarTec Telecom, Inc.	\$1,495.51 General Unsecured
3214	STATE OF ALABAMA DEPT OF REVENUE	\$484,097.95	Priority	04-81694	VarTec Telecom, Inc.	

END OF ORDER

After entry, return copy to:

Holly J. Warrington, SBT #24037671

VINSON & ELKINS L.L.P.

Trammell Crow Center

2001 Ross Avenue, Suite 3700

Dallas, Texas 75201-2975

Tel: 214-220-7814

Fax: 214-999-7814

ATTORNEYS FOR THE DEBTORS

1048415_1 DOC