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PROPOSED SPECIAL COUNSEL FOR DEBTORS

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

In re:	§	
	§	
VARTEC TELECOM, INC., et al.,	§	CASE NO. 04-81694-SAF-11
	§	
DEBTORS.	§	(Chapter 11)
	§	(Jointly Administered)

**DECLARATION OF JOSEPH M. COLEMAN IN SUPPORT OF
THE APPLICATION TO EMPLOY KANE, RUSSELL, COLEMAN
& LOGAN, P.C. AS SPECIAL COUNSEL**

**TO THE HONORABLE STEVEN A. FELSENTHAL, UNITED STATES CHIEF
BANKRUPTCY JUDGE:**

Pursuant to 28 U.S.C. § 1746, I, Joseph M. Coleman, declare the following to be true and accurate under penalty of perjury under the laws of the United States of America:

1. "This Declaration of Joseph M. Coleman is filed in support of the Application to Employ Kane, Russell, Coleman & Logan, P.C., as Special Counsel (the "Application") in the bankruptcy cases of VarTec Telecom, Inc.; Excel Communications Marketing, Inc.; Excel Management Services, 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. (collectively, the "Debtors"), jointly administered under Case No. 04-81694-SAF-11 pursuant to 11 U.S.C. § 1103.

2. I am a shareholder of Kane, Russell, Coleman & Logan, P.C. ("KRCL"), which has been requested, pending court approval, to act as special bankruptcy counsel for the Debtors.

3. I am licensed to practice law in the State of Texas, in the United States District Court for the Northern, Southern, Eastern, and Western Districts of Texas, and before the Fifth Circuit Court of Appeals.

4. I execute this Declaration on behalf of KRCL, which maintains an office at 3700 Thanksgiving Tower, 1601 Elm Street, Dallas, Texas 75201. All facts stated herein are made to the best of my knowledge and belief.

5. In preparing this Declaration, all attorneys at KRCL have been asked to review the Debtors' Master Service List dated as of November 5, 2004, which states that it includes the Debtors' 50 largest unsecured creditors (collectively "Service List"). Most of KRCL's attorneys have examined the Service List. However, due to travel and work schedules, and the Debtor's desire to have this Application filed and heard as soon as possible, certain attorneys with KRCL may not have reviewed the entirety of the Service List. To the extent any additional matters relevant to KRCL's appointment arise either upon all attorneys' reviewing the Service List or at any time during these cases, KRCL will supplement this Declaration.

6. In addition, upon receipt of any updated list identifying the 50 Largest Creditors, other significant Unsecured Creditors, Secured Creditors, attorneys and accounts for creditors and other significant interested parties, KRCL will review its records for any potential conflicts of interest and other connections to existing and former clients and to non-client third parties. To the extent any potential conflict relevant to KRCL's appointment arises at any time during this case, KRCL will supplement this Declaration.

7. KRCL is not a creditor, an equity security holder or an insider of any of the Debtors.

8. KRCL is not and was not an investment banker for any outstanding security of any of the Debtors.

9. No attorney at KRCL has served as an officer, director or employee of any of the Debtors, or an investment banker for securities of any of the Debtors within two (2) years prior to the filing of the petitions.

10. No attorney at KRCL is in control of any of the Debtors or is a relative of the general partner, director, officer or other person in control of any of the Debtors.

11. No attorney at KRCL is a general or limited partner of the partnership in which any of the Debtors is also a general partner.

12. No attorney at KRCL is or has served as an officer, director or employee of a financial advisor that has been engaged by any of the Debtors in connection with the offer, sale or issuance of a security by any of the Debtors.

13. No attorney at KRCL has represented a financial advisor of any of the Debtors in connection with the offer, sale, or issuance of a security of any of the Debtors.

14. KRCL has never represented any of the Debtors or any of the Debtors' affiliates and does not now represent any of the Debtors or any of the Debtors' affiliates in connection with this case or in any other manner.

KRCL's Representation of Other Creditors and Parties of Interest

15. Except as otherwise disclosed below or in the accompanying Application, KRCL has no financial connection or relationship with any of the Debtors, equity security holders, creditors or parties-in-interest in these cases.

16. KRCL currently represents a creditor of the Debtors, Qwest Communications, Corp., in other unrelated bankruptcy cases. Sills Cummins Epstein & Gross, P.C. has filed a Notice of Appearance representing Qwest Communications in this case. KRCL has not been asked, as of the date of this Declaration, to represent Qwest Communications in the Debtors' bankruptcy case.

17. KRCL currently represents Regional Management, Inc., which is party to a prepetition contract to purchase certain real property from Vartec Properties, Inc., one of the Debtors, for an amount less than \$500,000. The subject real property is comprised of approximately 5 acres of raw land located in DeSoto, Texas. KRCL anticipates that the sale of the real property will go forward and be consummated, subject to Bankruptcy Court approval. KRCL intends to continue to represent Regional Management, Inc. in the above-described transaction, which I believe to be a single transaction.

18. As part of its diverse practice, KRCL appears in cases, proceedings and transactions involving many different professionals, including attorneys, accountants, financial consultants and investment bankers, some of which may be or represent claimants and parties-in-interest in the Debtors' cases. Based upon our current knowledge of the professionals involved, KRCL does not represent or have a relationship with any of the attorneys, accountants, financial consultants, or investment bankers which would be adverse to the Debtors, their creditors or equity security holders, except that KRCL may have, in the past, acted, or may be presently acting as co-counsel, local counsel or otherwise to represent the same client or creditors' committee as some of these attorneys, accountants, financial consultants or investment bankers or such professional who are currently or who have previously represented the Debtors with regard to matters wholly unrelated to this case.

19. KRCL employs more than 39 attorneys and has a large and diversified legal practice which encompasses, among other things, the representation of financial institutions, commercial corporations and creditors. Some of these entities (or affiliates of these entities) are or may be holders of claims against or interest in the Debtors or parties-in-interest to this case. In the ordinary course of practice of law, KRCL and certain of its members, counsel and associates, have, in the past, represented, currently represent, and from time to time in the future may represent entities or affiliates of such entities in matters unrelated to the Debtors' cases. KRCL is not currently aware of any parties-in-interest in this case which KRCL has represented in the past or is currently representing in matters wholly unrelated to these jointly administered proceedings except as disclosed in this Declaration.

20. Subject to the matters disclosed herein, I am and each member of KRCL is a "disinterested person" as that term is defined in 11 U.S.C. § 101(14).

21. Subject to application and Court allowance, the Debtors have agreed to the employment of KRCL for legal services to be rendered as special counsel at the hourly rates set forth in the Application, and for reimbursement of expenses incurred by the Debtors' estates, in accordance with 11 U.S.C. §§ 330 and 331, Bankruptcy Rule 2016 and the Local Bankruptcy Rules, the U.S. Trustee Guidelines and orders of the Court. KRCL will seek approval of payment of compensation and reimbursement of expenses through the filing of appropriate applications for allowance of interim and final compensation pursuant to 11 U.S.C. § 330 and 331, the Bankruptcy Rules, the Court's Local Rules and Orders of this Court.

22. KRCL anticipates that the responsibility of representation of the Debtors will be primarily myself, Robert J. Taylor and Michael Scanlon. Under my or Mr. Taylor's supervision, one or more of KRCL's other attorneys or legal assistants may be used to handle such matters commonly delegated to such professionals.

23. Through the professional corporation, KRCL proposes to represent the Debtors as its special counsel in the matters described in the Application under the terms set forth therein. KRCL has not agreed to share (a) any compensation it has received or may receive with any other person or party other than the members, counsel and employees of KRCL; or (b) the compensation any other person or party may receive.

24. Except as set forth herein or in the Application, neither I nor KRCL holds or represents any interest adverse to the Debtors or their collective estate with respect to the matters for which KRCL's employment is sought.

25. I submit this Declaration based upon the information available to me as of the date so executed and will promptly supplement this Declaration should it become inaccurate or incomplete."

Dated: November 18, 2004.

/s/ Joseph M. Coleman
Joseph M. Coleman

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