PROOF OF CLAIM

THIS SPACE IS FOR COURT USE ONLY

Debtor VARTEC RESOURCE SERVICES, INC. 1600 VICERCY DRIVE
Tax ID # 81-0557974 DALLAS, TX 75235

Case Number 04-81705-BJH-11

NOTE See Reverse for List of Debtors and Case Numbers

This form should not be used to make a claim for an administrative expense arising after the commencement of the case A "request" for payment of an administrative expense may be filed pursuant to 11 U S C § 503

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim Attach copy of statement giving particulars

☐ Check box if you have never received any notices from the bankruptcy court in this case

☐ Check box if this address differs from the address on the envelope sent to you by the court.

If you have already filed a proof of claim with the Bankruptcy Court or BMC you do not need to file again

Name of Creditor and Address

08311341012570

Kondapalli, Rao V (rao)
18211 Kelly Blvd Apt 127
Dallas, TX 75287-4617

Creditor Telephone Number (214) 850 3740

Creditor Federal Tax ID (SSN #) 402-53-8155

Account Or Other Number By Which Creditor Identifies Debtor

Check here if this claim ☐ replaces or ☐ amends a previously filed claim dated _____

1 BASIS FOR CLAIM

☐ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury/wrongful death
☐ Taxes
☐ Other (describe briefly) _____
☐ Retiree benefits as defined in 11 U S C § 1114(a)
☒ Wages, salaries and compensation (Fill out below)
Last four digits of SS # 8155
Unpaid compensation for services performed from JAN 28-2002 (date) to OCT-18-2004 (date)

2 DATE DEBT WAS INCURRED OCT-18-2004

3 IF COURT JUDGMENT, DATE OBTAINED

4 TOTAL AMOUNT OF CLAIM AT TIME CASE FILED

$	$	$	$
—	—	3211 54/100	3211 54/100
(unsecured)	(secured)	(unsecured priority)	(Total)

If all or part of your claim is secured or entitled to priority, also complete Item 5 or 7 below

☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim Attach itemized statement of all interest or additional charges

5 SECURED CLAIM

☐ Check this box if your claim is secured by collateral (including a right of setoff)

Brief description of collateral

☐ Real Estate ☐ Motor Vehicle
☐ Other _____

Value of Collateral $ _____

Amount of arrearage and other charges at time case filed included in secured claim if any $ _____

6 UNSECURED NONPRIORITY CLAIM $ _____

☐ Check this box if a) there is no collateral or lien securing your claim or b) your claim exceeds the value of the property securing it, or if c) none or only part of your claim is entitled to priority

7 UNSECURED PRIORITY CLAIM

☒ Check this box if you have an unsecured priority claim

Amount entitled to priority $ 3211 54/100

Specify the priority of the claim

☒ Wages salaries or commissions (up to $4 925)* earned within 90 days before filing of the bankruptcy petition or cessation of the Debtor's business whichever is earlier - 11 U S C § 507(a)(3)

☐ Contributions to an employee benefit plan - 11 U S C § 507(a)(4)

☐ Up to $2 225* of deposits toward purchase lease or rental of property or services for personal family or household use - 11 U S C § 507(a)(6)

☐ Alimony maintenance or support owed to a spouse former spouse or child -11 U S C § 507(a)(7)

☐ Taxes or penalties owed to governmental units - 11 U S C § 507(a)(8)

☐ Other - Specify applicable paragraph of 11 U S C § 507(a) (____)

** Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

8 CREDITS The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim

9 SUPPORTING DOCUMENTS *Attach copies of supporting documents,* such as promissory notes purchase orders, invoices itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien DO NOT SEND ORIGINAL DOCUMENTS If the documents are not available, explain If the documents are voluminous attach a summary

10 DATE-STAMPED COPY To receive an acknowledgment of your claim, please enclose a self-addressed, stamped envelope and an additional copy of this proof of claim.

The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is actually received on or before 5 00 pm on March 14, 2005 for all creditors except Governmental Units For a governmental unit One hundred eighty (180) days after date relief ordered

BY MAIL TO
VarTec Telecom Inc
c/o BMC Group
PO Box 1011
El Segundo CA 90245-1011

BY HAND OR OVERNIGHT DELIVERY TO
VarTec Telecom Inc
c/o BMC Group (Telephone 888/909-0100)
1330 East Franklin Ave
El Segundo CA 90245

THIS SPACE FOR COURT USE ONLY

FILED
MAR 14 2005
BMC

Vartec Telecom Inc
02829

DATE SIGNED 03-10-2005

SIGN and print the name and title if any of the creditor or other person authorized to file this claim (attach copy of power of attorney if any)

(RAO V KONDAPALLI)

Penalty for presenting fraudulent claim is a fine of up to $500 000 or imprisonment for up to 5 years or both 18 U S C §§ 152 AND 3571

VarTec Telecom, Inc.

January 6, 2005

Ramo V Kondapalli
18211 Kelly Blvd #127
Dallas, TX 75287

Dear Ramo

Our records indicate that your employment with VarTec ended prior to 11/1/04 You should have received formal notice that VarTec filed for protection under Chapter 11 of the U S Bankruptcy Code on 11/1/04 As a result, we are prohibited from making payment for pre-petition obligations without the express authorization from the bankruptcy court If you executed a Separation Agreement and did not receive a check for the severance pay or have not received all commission payments due you, you should not expect payment at this time As a creditor of the company, you should file a Proof of Claim with the Bankruptcy Court to establish your claim for any payments approved by the court For your convenience we have enclosed a blank Proof of Claim in the event you have not yet received one from the court The bar date for filing Proofs of Claim is March 14, 2005 For additional information you can go to the website for the VarTec bankruptcy case at www bmcgroup com/vartec

We apologize for any inconvenience and hope this information helps you to process claims for any funds that may have been owed to you at the time of the Chapter 11 filing

Best regards,

Judy L Armstrong
Vice President
Human Resources

VarTec Telecom, Inc.

NOTICE OF TERMINATION

October 18, 2004

Rao Kondapalli
18211 Kelly Blvd #127
Dallas, TX 75287

Dear Rao

We regret to inform you that your employment with VarTec Telecom, Inc will be terminated effective today. This action is being taken as a result of reorganization and/or position elimination

As you know your employment is and always has been "at will" The balance of this letter will set out the effect of your termination on your pay and benefits

You will be mailed your final check, which will include your regular pay through October 18, 2004 and any accrued but unused vacation Your life, medical, dental and vision insurance will end as of today, however because of the COBRA Act, you are entitled to up to 18 months of health coverage at your expense Information on such continued coverage will be provided to you in the near future Please make sure to provide us in writing with your new mailing address should you change addresses, in order to ensure that you receive the COBRA information and your W2 statement

In exchange for your execution of the attached standard release VarTec is willing to provide you with additional compensation as specified in the Separation Agreement attached

We sincerely regret that this 'at will" relationship did not work out and we wish you the best in your future endeavors

Sincerely

Judy L Armstrong
Vice President
Human Resources

My signature below is to attest that I have reviewed this document and does not necessarily mean that I agree or disagree with this letter

Rao Kondapalli

Date

(duplicate originals)
Att Separation Agreement

SEPARATION AGREEMENT
Between
Rao Kondapalli and VarTec Telecom, Inc

I This Agreement shall serve as a fully binding separation agreement between Rao Kondapalli ("Employee") and VarTec Telecom, Inc and its affiliates (the "Company"), employees, officers, directors, shareholders, and agents Upon the effective date of this Agreement, the Company agrees to pay 2 weeks standard compensation for a total gross amount of Three Thousand Two Hundred Eleven Dollars And Fifty Four Cents ($3,211 54) less all applicable deductions (the "Payment") The Company will make the payment within seven calendar days following the effective date of this Agreement. Company will provide neutral references for Employee for time spent at the Company through the Vice President of Human Resources All requests for verifications of employment will be referred to the Human Resources Department for handling

II In consideration for the Company's voluntary agreement to provide Employee with the payment described above, Employee hereby voluntarily and knowingly agrees as follows

(a) Not to say, write, do, authorize, or otherwise create or publish anything (or otherwise assist anyone else to do any of the foregoing) that will in any way disparage the Company or any past or present employee, agent, officer or director of the Company or interfere with the management of the Company through any contact with shareholders, directors, employees, vendors and others, and not make any public or private statements or comments that may have the effect of disparaging or disrupting operations of the Company in any way

(b) For all times hereafter to protect, preserve the confidentiality of and safeguard the Company's secret, proprietary or confidential information and to not use, directly or indirectly, for Employee's benefit or for the benefit of another, any of such proprietary or confidential information

(c) Upon execution of this Agreement, deliver to the Company all documents (including copies thereof) embodying any of the Company's secret or confidential information, ideas, concepts improvements, discoveries and inventions

(d) Upon execution of this Agreement, deliver to the Company all property owned by the Company and in Employee's possession including, but not limited to Company telephones, pagers, keys, security pass cards, computers, computer printers and all computer related hardware or software

III In consideration for the payment referenced above in Paragraph I, Employee voluntarily and knowingly hereby irrevocably and unconditionally releases and fully discharges the Company and each and all of its predecessors, subsidiaries, parent corporations, affiliates, and sister corporations (hereinafter "Companies") and the Company and Companies' officers, agents, attorneys, directors, supervisors, shareholders, employees, representatives, and their successors and assigns, whether or not acting in the course and scope of employment, and all persons acting by through. under, or in concert with any of them from any and all charges, complaints, claims and liabilities of any kind or nature whatsoever, known or unknown, suspected or unsuspected (hereinafter referred to as "claim" or "claims") which Employee at any time heretofore had or claimed to have or which Employee may have or claim to have regarding events that have occurred as of the date of this Agreement, including, without limitation, any and all claims related or in any manner incidental to Employee's employment with the Company or the termination therefrom Employee agrees to release the Company of any duty to provide any defense for any conduct occurring during the course and scope of Employee's employment Employee and the Company understand the words "claim" or "claims" in this provision of the Agreement to include all actions, claims and grievances, whether actual or potential, known or unknown, sounding in tort or contract, arising under statutory or common law including without limitations, any claims arising under the Texas Commission or Human Rights Act Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991 Americans with Disabilities Act, Texas Workers' Compensation Act, the Employee Retirement Income Security Act of 1974, as amended, or any other applicable state or federal law

IV In addition to the waivers and releases of claims or rights above and in consideration for the Company's payment referenced in Paragraph I above, Employee hereby waives and releases any right that Employee may have to assert a claim of age discrimination under the Age Discrimination in Employment Act, 29 USC §626(f) and the Older Workers Benefits Protection Act (the "ADEA") or similar state statute, which prohibits the Company from discriminating against employees 40 years of age or older on the basis of Employee's age Employee is hereby advised to consult with an attorney regarding the terms of this release Employee further agrees (as applicable) that (1) this Agreement is worded in an understandable way, (2) claims under the ADEA that may arise after the date of this Agreement are not waived, (3) the rights and claims waived in this Agreement are in exchange for additional consideration over and above any consideration to which Employee was already undisputedly entitled, (4) Employee has been advised to consult with an attorney prior to executing this Agreement and has had sufficient time and opportunity to do so, and (5) Employee has been given a period of time of 45 days to consider this Agreement, and understands that Employee may revoke Employee's waiver and release of any ADEA claims covered by this Agreement within seven days from the date Employee executes this Agreement, provided Notice of revocation must be in writing and sent to and received by Judy L Armstrong, VarTec Telecom Inc , 1600 Viceroy Drive, Dallas, Texas 75235 within seven days after Employee signs this Agreement

V Employee agrees that the sums paid or provided to employee pursuant to Paragraph I above shall constitute the entire amount of monetary consideration provided to Employee under this Agreement and that Employee will not seek any further compensation for any other claimed damage, costs or attorneys' fees in connection with the matters encompassed in this Agreement Employee warrants and represents that Employee exclusively has authority to bind Employee and make the Covenants herein, and that the claims, suits, rights and/or interests which are the subject matter hereto are owned by Employee, have not been assigned, transferred or sold, and are free of any encumbrance Employee agrees that there can be no failure of consideration or partial failure of consideration with respect to the waivers and releases contained herein in the event there is any alleged breach of this Agreement Employee further agrees that any and all sums paid or provided to her pursuant to Paragraph I be forfeited and become immediately due and payable to the Company in the event that Employee asserts any claim, demand or cause of action, including any cause of action for indemnity and contribution or third-party action, arising out of, resulting from, or in any way related to any of the claims encompassed within this Agreement, or any action to set aside, invalidate, or avoid this Agreement, except as a result of the Company's breach of this Agreement Employee further agrees that a breach of the covenant set forth in this paragraph will entitle the Company and its successors and assigns to a full recovery in an action for damages, including, but not limited to, recovery of its or their costs, expenses and attorneys' fees for investigation prosecution or defense of any action brought in breach of this covenant Such recovery of monies shall not otherwise affect the enforceability of this Agreement or of other individual promises contained in this Agreement

VI In addition, Employee covenants and agrees to keep the terms conditions and circumstances of Employee's separation from the Company confidential and to not aid or render assistance in any form to any person or entity pursuing, or that may in the future pursue any claim against the Company or Companies, or the Company and Companies officers agents, directors supervisors, shareholders, employees, representatives, and their successors and assigns

VII **EFFECTIVE DATE** The effective date of this Agreement is the eighth day after Employee signs the Agreement

VIII This Agreement is intended by Employee and the Company to be a legally valid and binding agreement, to be construed in accordance with the laws of the State of Texas This Agreement may be executed in counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument If any provision of this Agreement is held to be unenforceable, illegal or invalid, such provision shall be fully severable from this Agreement and this Agreement shall be construed and enforced as if such unenforceable, illegal or invalid provision never comprised a part hereof Employee and the Company agree that any legal proceeding instituted hereunder shall be conducted and litigated in the State of Texas, and the parties hereto consent to the jurisdiction and venue to the courts of Dallas County, Texas, whether state or federal This Agreement sets forth the entire agreement between Employee and the Company and its

predecessors, officers, directors, employees, agents and representatives relating to the separation of Employee from his employment with the Company No other promises have been made The parties agree that the offer or execution of this Agreement is not an admission of liability of any nature by the Company or Employee and that it cannot be used in any proceeding other than one to enforce its terms

VarTec Telecom, Inc.
By _____
Judy L Armstrong
Vice President, Human Resources

I have read the foregoing Agreement voluntarily and irrevocably agree to its terms, and acknowledge receipt of a copy of same, and the sufficiency of the payments and other consideration recited herein

Agreed

_____ Date _____

Rao Kondapalli