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November 8, 2002

VIA MESSENGER

Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

00-257
94-129

RECEIVED

NOV - 8 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Denton Telecom Partners I, LP
Amended Request for Waiver of Customer Authorization Rules

Dear Ms. Dortch:

Enclosed for filing with the Consumer and Government Affairs Bureau (the "Bureau") are an original and five (5) copies of an amended petition for expedited grant of a limited waiver of Section 64.1120(e) of the Commission's rules, 47 C.F.R. § 64.1120(e), to enable Denton Telecom Partners I, LP to become the presubscribed provider of local and domestic and international long distance service to customers of CoServ, LLC d/b/a CoServ Communications, a competitive local exchange carrier currently a debtor in bankruptcy proceedings. The petition for waiver is amended to provide supplemental information requested by the Bureau's staff. One copy is to be date-stamped and returned to our waiting messenger.

Please address any inquiries regarding this matter to the undersigned

Sincerely,



Heidi R. Anderson

cc: Nancy Stevenson, Consumer and Government Affairs Bureau
David Marks, Consumer and Government Affairs Bureau

No. of Copies rec'd 1 + 3
LIST ABOVE

ORIGINAL

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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NOV - 8 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
2000 Biennial Review – Review of Policies and Rules Concerning Unauthorized Changes of Consumers’ Long Distance Carriers)	CC Docket No. 00-257
)	
Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996)	CC Docket No. 94-129
)	
Denton Telcom Partners I, LP)	

To: Chief, Consumer and Governmental Affairs Bureau

Amended Petition for Waiver - Expedited Action Requested

Denton Telcom Partners I, LP (“Denton”), by counsel and pursuant to Sections 1.3 and 1.925 of the Commission’s rules, 47 C.F.R. §§ 1.3 and 1.925, requests expedited grant of a limited waiver of Section 64.1120(e) of the Commission’s rules, 47 C.F.R. § 64.1120(e), to enable Denton to become the presubscribed provider of local and domestic and international long distance service to customers of CoServ, LLC d/b/a CoServ Communications (“CoServ”), a competitive local exchange carrier currently in bankruptcy proceedings. This petition was originally filed with the Commission on October 29, 2002 but it is amended hereby to provide supplemental information requested by the Commission’s staff.

I. BACKGROUND

CoServ is an established provider of high quality local, long distance, cable and internet services in Texas. Denton is a company controlled by the National Rural Utilities Cooperative Finance Corporation (“NRUCFC”), an entity with over thirty years of experience in utility financing.¹ NRUCFC is the sole member of Denton Telecon Holdings, LLC, the general partner of Denton Telecom Partners I, LP.

On November 30, 2001, CoServ and its related companies filed petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division (“Bankruptcy Court”).² On October 25, 2002, the Bankruptcy Court directed the trustee to transfer the CoServ assets to Denton.³ Pursuant to the order of the Bankruptcy Court, Denton has agreed to close on the transfer of CoServ’s assets and the transfer of customers to Denton by November 22, 2002, 27 calendar days after issuance of the Bankruptcy Court’s order. The primary reason for the rapid closing is that CoServ does not have sufficient funds to continue operation of its facilities. Denton hereby requests an expedited limited waiver of the 30-day advance notice requirements of sections 64.1120(e)(1) and (e)(3) of the Commission’s rules to permit the transfer of CoServ’s customers from CoServ to Denton.

¹ Since its founding with 512 charter members in 1969, NRUCFC has grown to serve more than 1,050 utility cooperatives and their subsidiaries. NRUCFC approved its first short-term loan of \$500,000 to a Kentucky co-op in December 1971; its first long-term loans - \$100,000 to an Arkansas co-op and \$39,000 to an owner in Georgia - came two months later. Today, NRUCFC has total loans and guarantees outstanding exceeding \$21 billion, and its owners have invested nearly \$3 billion in NRUCFC’s wide array of securities.

² See *In re CoServ, L.L.C. d/b/a CoServ Communications, et al.*, Findings of Fact, Conclusions of Law and Order Confirming the Amended Joint Plan of Liquidation of CoServ Telecom Debtors, Case No. 01-48684-DML, at 2 (Bankr. N.D. Tex. Oct. 25, 2002) (“*Bankruptcy Order*”). A copy of the *Bankruptcy Order* is attached hereto as Exhibit C.

³ See *Bankruptcy Order* at 11

Pursuant to Section 258 of the Communications Act of 1934, as amended, 47 U.S.C. § 258, and the Commission's rules, carriers are barred from changing a customer's preferred carrier without first complying with the Commission's procedures.⁴ According to the streamlined procedures adopted by the Commission, carriers need not obtain individual subscriber authorization and verification for carrier changes associated with the carrier-to-carrier sale or transfer of a Subscriber base, provided that, not later than 30 days before the planned carrier change, the acquiring carrier notifies the Commission, in writing, of its intention to acquire the subscriber base and certifies that it will comply with the required procedures, including the provision of 30-day advance written notice to all affected subscribers.⁵ These rules ensure that affected subscribers have advance notification of the carrier change and that subscribers experience a seamless transition of service from their original carrier to the acquiring carrier.⁶

Due to the Bankruptcy Court order to transfer the assets of CoServ on or before November 22, 2002, Denton is unable to comply with the 30-day advance notification requirement of Section 64.1120(e) and still satisfy the goal of minimizing disruption of service to CoServ's customers. Denton requests a waiver of Section 64.1120(e) in order to effect a seamless transition of customers from CoServ to Denton. **As** soon as practicable, but in no event

⁴ See 47 U.S.C. § 258; *Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers*, CC Docket No. 94-129, Second Report and Order and Further Notice of Proposed Rulemaking, 14 FCC Rcd 1508 (1998).

⁵ See 2000 Biennial Review – *Review of Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers; Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996*, First Report and Order in CC Docket No. 00-257 and Fourth Report and Order in CC Docket No. 94-129, 16 FCC Rcd 11218 (2001) (“*Streamlining Order*”).

⁶ See *Streamlining Order* ¶ 10, 16 FCC Rcd at 11222

later than six business days from the issuance of a Commission order granting the relief requested in this petition, Denton will send to each affected customer a notice setting forth the information required by Section 64.1120(e) of the Commission's rules, in form and substance like that attached to this Petition as Exhibit A. In order to minimize the impact of the transaction on the affected customers, Denton proposes to maintain the services as they currently are provided, at rates currently charged.⁷ Specifically, Denton will retain current technical and engineering personnel to maintain continuity in the quality of service provided and also will rely on the current experienced management to operate the system appropriately. Denton will provide the exact same high quality local, long distance, cable and internet services currently provided by CoServ. Because of the minimal impact on the affected customers and the unique circumstances presented by the Bankruptcy Court's order, Denton submits that grant of this Petition is in the public interest.

II. GRANT OF THE INSTANT PETITION FOR AN EXPEDITED WAIVER IS IN THE PUBLIC INTEREST.

Denton is mindful that the Commission's rules are presumed valid' and may be waived only upon a showing of good cause." A request for waiver of the Commission's rules is appropriate only if special circumstances warrant a deviation from the general rule and the requested deviation will serve the public interest."⁸ Good cause is satisfied when the Commission finds that the particular facts make strict compliance with the rules inconsistent

⁷ Attached hereto as Exhibit B is a listing of CoServ's current rates that will continue to be in force after the assignment to Denton.

⁸ *Walt Radio v. F.C.C.*, 418 F.2d 1153, 1157 (D.C. Cir. 1969), cert. denied, 409 U.S. 1027 (1972).

⁹ 47 C.F.R. § 1.3

¹⁰ *Mil AT Radio*, 418 F. 2d at 1159; *Northeast Cellular*, 897 F.2d at 1166.

with the public interest." In considering whether a request for waiver presents good cause for grant, the Commission may consider, *inter alia*, hardship of imposition of a rule, equity or more effective implementation of overall policy on an individual basis.¹² Denton submits that this Petition presents good cause for grant.

The Commission has specified that requests for waiver of its rules in instances in which it is impossible to comply precisely with the streamlined procedures will be decided on a case-by-case basis.¹³ The rapid closing deadline mandated by the Bankruptcy Court is designed to ensure that CoServ's customers are transferred to Denton in a way that minimizes possible service disruptions to those customers. It is temporally impossible for Denton to comply with the deadline imposed by the Bankruptcy Court - 27 days after the date of entry of the Bankruptcy Court's order - and also comply with the 30-day advance notification requirement of Section 64.1120(e).

Without grant of the limited waiver requested in this Petition, Denton will be faced with the choice of interrupting service to allow the passage of 30 days from the date on which it sends notices to affected customers or violating the Commission's rules. This potential interruption of service is especially troubling given that CoServ serves primarily residential customers as opposed to more sophisticated business customers. Denton submits that the benefits of a seamless transfer of service outweigh the benefits conferred to the customers from strict compliance with Section 64.1120 of the Commission's rules."

¹¹ See *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

¹² *WAT Radio*, 418 F.2d at 1157,

¹³ *Streamlining Order* ¶ 20, 16 FCC Rcd at 11226,

¹⁴ In each of these respects, the instant case is strikingly similar to the case presented by the Petition for Waiver filed by SureWest Communications. See 2000 *Biennial Review – Review of*

III. CONCLUSION

For the foregoing reasons, Denton submits that expedited grant of the requested limited waiver of Section 64.1120(e) of the Commission's rules, 47 C.F.R. § 1120(3), is in the public interest. Denton respectfully asks that the Commission grant the waiver at the earliest possible time

Respectfully submitted,

DENTON TELECOM PARTNERS I, LP



Richard Rubin
Marjorie K. Conner

Its Attorneys

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1676 International Drive
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November 8, 2002

Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers; Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996, CC Docket No. 00-257 and CC Docket No. 94-129, SureWest Communications, Petition for Waiver, DA 02-1664 (rel. July 12, 2002).

Exhibit A

Notice to Customers

Dear Valued CoServ Communications Customer:

Recently, your current telephone service provider, CoServ Communications (“CoServ”) entered into an agreement to assign its business to Denton Telecom Partners I, LP (“Denton Telecom”). Under the terms of this agreement, Denton Telecom will, upon closing of the transaction, replace CoServ as your telephone service provider.

Please rest assured that this transition will not affect the quality of the services you currently receive. We assure you that we will continue to provide the same level of quality local, long distance, cable and/or internet services and that we remain committed to excellent customer service. The change of your service provider will not affect or disrupt your current service and you will be able to keep your existing telephone number(s). The customer services telephone phone number – 1-877-267-3781 – and customer service procedures to which you are accustomed also will remain the same. The customer service team will be equipped to assist you with questions about your service or billing matters, including any concerns about matters that occurred while you were served by CoServ.

Unless you choose another service provider, you will automatically become a customer of Denton Telecom. Please note that you will incur no charges related to the transition to Denton Telecom. You may, of course, choose another carrier for your service, if one is available, subject to any termination restrictions. If you wish to select a new service provider, you must contact that provider directly. Should you select another telecommunications service provider, you may incur charges imposed by that provider.

If you remain a customer of Denton Telecom, you will continue to receive the same quality services with the same rates, features, terms and conditions as you currently enjoy. For your convenience and reference, a list of some of our basic rates is attached to this letter. Although you will no longer be able to combine your payment with your CoServ Electric or CoServ Gas payment, you will still continue to receive statements from, and make payments to, Denton Telecom.

The bottom line is that the services you currently receive are continuing without interruption. We at Denton Telecom look forward to serving you and appreciate your continued business. If you have any specific questions, please contact us at 1-877-267-3781 or visit our website at www.coserv.com for additional information.

Sincerely,

Denton Telecom

Exhibit B

Rates

Telephone Services and Terms

Current Rates

Monthly Rates

	<u>Residential</u>	<u>Business</u>
Recurring Telephone Charges		
Lone Star Connection Package Bundle	\$ 22.95-26.95	N/A
Care Package (Bundled Optional Services)	\$ 10.00	\$ 10.00
Care Deluxe Package (Bundled Optional Services)	\$ 20.75	\$ 20.75
Basic Phone Line	Standard Rate Center Pricing	Standard Rate Center Pricing
Metro Phone Line	Standard Rate Center Pricing	Standard Rate Center Pricing

Non-Recurring Telephone Charges

Primary Line Connection Charge	\$ 38.00	\$ 57.00
Additional Line Connection Charge	\$ 16.00	\$ 20.00
Premise Visit	\$ 9.00	\$ 9.00

Regulated Telephone Services

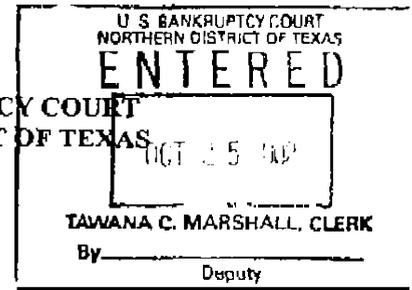
The basic telephone services you receive, such as your local phone line, your number and your dial tone, are subject to the regulation of the state of Texas. The rules and guidelines that govern these services are set forth in a document called a "Price List," which is on file at the Texas Public Utilities Commission. If you have a desire to view the document, you may contact the Texas Public Utilities Commission or the company business office. In addition, the Company offers a wide range of optional services, which are not subject to state regulation. Additional information is available from our website at www.coservcom.com.

Exhibit C

Bankruptcy Order

COPI

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION



In re:

COSERV, L.L.C. d/b/a COSERV
COMMUNICATIONS, et al.
(Fed. Tax I.D. No. 75-2702586)

SECTION 541(b)(5)

CASE NO. 01-48684-DML
Chapter 11
(Jointly Administered)

DEBTORS.

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING THE
AMENDED JOINT PLAN OF LIQUIDATION OF COSERV TELECOM DEBTORS

CoServ, L.L.C. d/b/a CoServ Communications ("CoServ Communications"), CoServ Telecom GP, LLC ("Telecom GP"), DWB GP, Inc. ("DWB"), CoServ Telecom Holdings, L.P. ("Telecom Holdings"), MultiTechnology Services, L.P. d/b/a CoServ Broadband Services ("MTS") and Dallas Wireless Broadband, L.P. d/b/a CoServ Broadband ("CoServ Broadband") (collectively, "CoServ Telecom Debtors" or "Debtors") and National Rural Utilities Cooperative Finance Corporation ("CFC") (collectively, the "Plan Proponents") have proposed for confirmation the Amended Joint Plan of Liquidation of the CoServ Telecom Debtors, which they filed with the Court on July 25, 2002 (the "Plan"). All capitalized terms, not otherwise defined herein, shall have the meanings ascribed to them in the Plan.

On July 26, 2002, the Plan Proponents filed the Amended Joint Disclosure Statement Pursuant to 11 U.S.C. § 1125 in support of the Amended Joint Plan of Liquidation of the CoServ Telecom Debtors (the "Disclosure Statement"). The Court entered an order approving the Disclosure Statement and finding that it contained adequate information under Section 1125 of the Bankruptcy Code (the "Disclosure Statement Order"). The Disclosure Statement Order was entered on July 26, 2002. The Disclosure Statement Order provided for (i) the Plan solicitation

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING THE AMENDED JOINT PLAN OF
LIQUIDATION OF COSERV TELECOM DEBTORS - Page 1
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material to be sent out by August 10, 2002; (ii) voting on the Plan by return of ballots to the Solicitation Agent by September 3, 2002; (iii) objections to Confirmation of the Plan to be filed by September 3, 2002; and (iv) the hearing on Confirmation of the Plan (the "Confirmation Hearing") to commence on October 25, 2002.

The Court commenced and completed the Confirmation Hearing on October 25, 2002.

Having conducted the Confirmation Hearing, reviewed the evidence, objections to confirmation, and arguments of counsel, THE COURT HEREBY FINDS AS FOLLOWS:

1. CoServ Telecom Debtors filed their petitions on November 30, 2001.
2. The Plan, the Disclosure Statement and such Ballots and other appropriate material as were required to be provided, were transmitted to holders of Claims and Equity Interests in accordance with the Disclosure Statement Order.
3. Notice of the Confirmation Hearing was in conformance with Rules 2002 and 3017 of the Federal Rules of Bankruptcy Procedure and was therefore adequate. Holders of Claims and Equity Interests have received adequate notice and an opportunity to be heard and were accorded due process in the adjudication of the issues presented by Confirmation of the Plan. Likewise, acceptances of the Plan were solicited in accordance with Section 1125 of the Bankruptcy Code and other applicable Bankruptcy Code provisions.
4. Objections to Confirmation were filed by:
 - (a) State of Texas—Comptroller of Public Accounts ("Texas Comptroller");
 - (b) The Public Utility Commission of Texas ("Texas PUC"); and
 - (c) Ad Valorem Taxing Authorities—City of Arlington, City of Denton, City of Frisco, County of Collin, County of Dallas, County of Denton and County of Tarrant (collectively, "Ad Valorem Taxing Authorities").

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING THE AMENDED JOINT PLAN OF
LIQUIDATION OF CO-SERV TELECOM DEBTORS - Page 2
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5 The following Classes of Creditors and Equity Interest holders voted to accept, or are deemed to have accepted, the Plan:

<u>CoServ Communications</u>	<u>Telecom GP</u>	<u>Telecom Holdings</u>	<u>DWB</u>	<u>MTS</u>	<u>CoServ Broadband</u>
Class 1A	Class 1B	Class 1C	Class 1D	Class 1E	Class 1F
Class 2A	Class 2B	Class 2C	Class 2D	Class 2E	Class 2F
Class 3A	Class 3B	Class 3C	Class 3D	Class 3E	Class 3F
Class 4A	Class 4B	Class 4C	Class 4D	Class 4E	Class 4F
Class 5A	Class 5B	Class 5C	Class 5D	Class 5E	Class 5F
Class 6A	Class 6B	Class 6C	Class 6D	Class 6E	Class 6F
Class 7A	Class 7B	Class 7C	Class 7D	Class 7E	Class 7F

6. Pursuant to Section 1124 of the Bankruptcy Code, Plan Classes 2, 5 and 6 are Impaired and have voted to accept the Plan pursuant to Sections 1126 and 1129(a)(8) of the Bankruptcy Code.

7. The Debtors have operated their businesses, formulated and filed the Plan, obtained approval of the Disclosure Statement, and sought Confirmation of the Plan, all in good faith. CFC has formulated and filed the Plan, obtained approval of and sought Confirmation of the Plan, all in good faith.

8. The classification of Claim 1 contained in the Plan is appropriate under Section 1122 of the Bankruptcy Code.

9. The Plan complies with Section 1123 of the Bankruptcy Code in that (a) the Plan provides adequate means for its implementation, (b) to the extent applicable, the Debtors' charters do not permit issuance of non-voting securities, (c) CoServ Communications, Telecom GP and DWB have made adequate disclosure of their post-Effective Date officers and directors and any compensation promised to be paid to them, and (d) MTS, Telecom Holdings and CoServ

Broadband have made adequate disclosure of post-Effective Date officers and directors of their general partners and any compensation promised to be paid to them.

10. The solicitation materials which the Plan Proponents distributed, pursuant to the Disclosure Statement **Order**, contained adequate information in accordance with Section 1125 of the Bankruptcy Code and were otherwise appropriate.

11. The Plan offers the highest implied value for the Debtors' assets and is a plan that is both feasible and fully supported by the Debtors' creditors.

12. The value of the Debtors' Assets to be transferred pursuant to the Plan is **Twenty Eight Million and 00/100 Dollars (\$28,000,000.00) as of the Confirmation Hearing.**

13. The Plan complies with the applicable provisions of the Bankruptcy Code as required by Section 1129(a)(1) thereof.

14. The Plan Proponents have complied with the applicable provisions of the Bankruptcy Code as required by Section 1129(a)(2) thereof.

15. The Plan has been proposed in good faith by the Plan Proponents and not by any means forbidden by law in compliance with Section 1129(a)(3) of the Bankruptcy Code.

16. Any payment made or to be made by CoServ Telecom Debtors, or by a person issuing securities or acquiring property under the Plan for services or for costs and expenses in or in connection with these Bankruptcy Cases, or in connection with the Plan and incident to these Bankruptcy Cases has been approved by, or is subject to the approval of, the Court as reasonable as required by Section 1129(a)(4) of the Bankruptcy Code.

17. At the Confirmation Hearing, the Debtors complied with Section 1129(a)(5) by disclosing the identity and affiliations of each of the individuals proposed to serve, after the Effective Date of the Plan, as directors and officers of the Debtors and, where applicable,

FINDINGS OF FACT/CONCLUSIONS OF LAW AND ORDER CONFIRMING THE AMENDED JOINT PLAN OF LIQUIDATION OF COSERV TELECOM DEBTORS - Page 4
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Debtors' general partner or managing member. The continuance or appointment of such individuals to such offices is consistent with the interests of Creditors and Equity Interest holders and with public policy. The Debtors have also disclosed the identity of any insider that will be employed or retained by the Debtors, and the nature of any compensation for such insider that is being approved by this Court (in the Plan or otherwise), as well as compensation which has been negotiated for any post-Effective Date officer; and directors. Any compensation for officers of the Debtors proposed by the Plan has been fully disclosed.

18. The Plan does not require the approval of any governmental regulatory commission as contemplated by section 1129(d)(6) of the Bankruptcy Code.

19. With respect to each Impaired Class of Allowed Claims or Equity Interests under the Plan, each holder of an Allowed Claim or Equity Interest of such Class (i) has duly and timely accepted the Plan, or (ii) will receive or retain under the Plan on account of such Claim or Equity Interest property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code in compliance with Section 129(a)(7) of the Bankruptcy Code.

20. With respect to each Class of Allowed Claims and Equity Interests under the Plan, each Class has accepted the Plan or is not Impaired under the Plan, as required by Section 1129(a)(8) of the Bankruptcy Code.

21. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim (including, without limitation, such agreements relating to certain Claims incurred in the ordinary course of the Debtors' businesses), the Plan provides, as required by Section 1129(a)(9) of the Bankruptcy Code the following:

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING THE AMENDED JOINT PLAN OF LIQUIDATION OF COSEKY TELECOM DEBTORS - Page 5
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(a) that a holder of an Allowed Administrative Expense Claim shall receive, in full satisfaction, release and discharge of and in exchange for such Claim, either (i) Cash equal to the unpaid portion of such Allowed Administrative Expense Claim on the later of (a) ten (10) days following the Effective Date, (b) the date that is eleven (11) Business Days after such Claim becomes an Allowed Administrative Expense Claim, or (c) such other date as is mutually agreed upon by the Debtors, CFC and the holder of such Claim; or (ii) such other treatment as may be mutually agreed upon in writing by the holder of such Claim, the Debtors and CFC, provided such treatment does not result in a reduction of the distributions to Classes 5A-5F; and

(b) that each holder of a Prepetition Priority Tax Claim for any tax year or period, all or a portion of which occurs or falls within the period prior to the Petition Date, shall be paid, at the election of the Debtors and CFC, either (i) in Cash in full on the latest of (a) forty-five (45) days after the Effective Date, (b) thirty (30) calendar days after the date on which an Order allowing such Claim becomes a Final Order, (c) the last day the taxes may be paid under applicable law without incurring penalties or interest, or (d) such other time or times as may be mutually agreed to by the holder of such Claim, the Debtors and CFC, provided such treatment does not result in a reduction of the distributions to Classes 5A-5F; or (ii) with respect to a Claim of the kind specified in Section 507(a)(8) of the Bankruptcy Code, deferred Cash payments, over a period not exceeding six (6) years after the date of assessment of such Prepetition Priority Tax Claim, of a value, as of the Effective Date, equal to the amount of such Allowed Claim, plus interest of six percent (6%) per annum. To the extent that the holder of a Prepetition Priority Tax Claim holds a Lien to secure its Claim under applicable state law, such Lien shall remain in place and be unaffected by Confirmation of this Plan, until such time as the Claim is paid pursuant to Section 3.21 of the Plan at which time the Lien shall be deemed released.

22. The Plan provides for the payment of any Claim of a kind specified in Sections 507(a)(1), 507(a)(3), 507(a)(4), 507(a)(6) and 507(a)(8) of the Bankruptcy Code (but which has not been Allowed as of the Effective Date of the Plan) to be paid on the later of forty-five (45) days after the Effective Date or ten (10) Business Days after such Claim is Allowed. The Court finds this provision to be an appropriate means of providing for the payment of Disputed Claims that become Allowed after the Effective Date.

23. There are no Claims against the Debtor of a kind specified in Sections 507(a)(2), 507(a)(5) or 507(a)(7) of the Bankruptcy Code.

24. CoServ Communications Classes 2A, 5A and 6A have voted to accept the Plan. Therefore at least one Impaired Class of Claims has accepted the Plan, which acceptance has been determined without including any acceptance of the Plan by any insider holding a Claim of such Class as required by Section 1129(a)(10) of the Bankruptcy Code.

25. Telecom GP Classes 2B, 5B and 6B have voted to accept the Plan. Therefore, at least one Impaired Class of Claims has accepted the Plan, which acceptance has been determined without including any acceptance of the Plan by any insider holding a Claim of such Class as required by Section 1129(a)(10) of the Bankruptcy Code.

26. Telecom Holdings Classes 2C, 5C and 6C have voted to accept the Plan. Therefore, at least one Impaired Class of Claims has accepted the Plan, which acceptance has been determined without including any acceptance of the Plan by any insider holding a Claim of such Class as required by Section 1129(a)(10) of the Bankruptcy Code.

27. DWB Classes 2D, 5D and 6D have voted to accept the Plan. Therefore, at least one Impaired Class of Claims has accepted the Plan, which acceptance has been determined without including any acceptance of the Plan by any insider holding a Claim of such Class as required by Section 1129(a)(10) of the Bankruptcy Code.

28. MTS Classes 2E, 5E and 6E have voted to accept the Plan. Therefore, at least one impaired Class of Claims has accepted the Plan, which acceptance has been determined without including any acceptance of the Plan by any insider holding a Claim of such Class as required by Section 1129(a)(10) of the Bankruptcy Code.

29. CoServ Broadband Classes 2F, 5F and 6F have voted to accept the Plan. Therefore, at least one Impaired Class of Claims has accepted the Plan, which acceptance has

been determined without including **any** acceptance of the **Plan** by any **insider** holding a **Claim** of **such** Class as required by Section 1129(a)(10) of the **Bankruptcy** Code.

30. The **Plan** ~~meets~~ the requirements of Section 1129(a)(11) because it is feasible and **not likely** to be followed by the need for further financial reorganization. **This** finding is premised on, **among** other things, the following findings:

(a) All of the conditions precedent to Confirmation set forth in the **Plan** **have** been met ~~or~~ waived; and

(b) Debtors and CFC have established that there will be sufficient **cash** resources to **satisfy** **all** cash obligations due **under** the **Plan** on or **as** soon **as** practical **after** the Effective Date.

31. Because the **Debtors** will be able to **satisfy** all Allowed Administrative Expenses in the manner provided by the **Plan**, **as** well as any Disputed Administrative **Expenses** or other Disputed **Claims** that are ultimately Allowed, the Court finds that the Debtors need not deposit in a **segregated** account any **amounts** that may be required to **pay** Disputed Claims that may be Allowed **after** the Confirmation ~~of~~ the **Plan**.

32. **All** fees payable under 28 U.S.C. § 1930 **have** been paid, or the **Plan** provides for the payment **of** **all** **such** fees on and **after** the Effective Date **as** required by Section 1129(a)(12) of the Bankruptcy Code.

33. The **Debtors** have no **obligation** to **retirees** and therefore Section 1129(a)(13) of the **Bankruptcy** Code is inapplicable

34. As of the Effective Date, all documents necessary to implement the **Plan** and all other documents useful to consummation of the **Plan** shall, upon execution, be valid, binding and enforceable.

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING THE AMENDED JOINT PLAN OF LIQUIDATION OF COSERV TELECOM DEBTORS - Page 8
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35. As soon as practicable, after the **Effective** Date, the Debtors shall either dissolve or transfer their businesses and the Plan provides for the liquidation and transfer of **all** or substantially all of the property of the Debtors' Estates.

36. The Debtors **have** made a careful review of their Executory Contracts, **and it is a** exercise of the Debtors' sound business judgment for them to reject, **as of** the Effective Date, **all** such Executory Contracts **except** those that are the subject of the (i) Motion Pursuant to Section 365 of the Bankruptcy Code for Approval of the Assumption **and** Assignment of Certain Non-Residential Real Property Leases and Executory Contracts filed on **or about** October 11, 2002, (ii) **Amended** Motion Pursuant to Section 365 of the Bankruptcy Code for Approval of the Assumption **and** Assignment of Certain Non-Residential **Real Property Leases and Executory** Contracts **filed** on **or about** October 25, 2002, or (iii) Second Motion Pursuant to Section 365 of the Bankruptcy Code for Approval of the Assumption **and** Assignment of Certain Non-Residential Real Property Leases and Executory Contracts **filed** on or about October 25, 2002.

37. The Plan provides that cure payments for an **Executory** Contract assumed pursuant to Section 365(b)(1) of the **Bankruptcy** Code shall be made (i) by the Debtors **from** the Reserve **Accounts** to be funded by CFC and distributed within ten (10) days **after** the Effective Date, or (ii) on **such** other terms **as agreed** to by the Debtors, CFC and the non-debtor party to such Assumed Contract, provided such treatment **does** not result in a reduction of the distributions to Classes **5A-5F**.

38. **The Plan provides that** any **Claim** arising from an **Executory** Contract rejected pursuant to **Section 365(a)** of the **Bankruptcy** Code or **Section 11.1** of the **Plan** must be Filed with the Bankruptcy **Court** and served upon counsel for the Debtors, CFC and the Committee within thirty (30) days after the later to occur of (i) the giving of notice of Confirmation of the

Plan to such party *or* (ii) the entry of an order by the **Bankruptcy Court** authorizing rejection of a particular Executory Contract.

39. The **Plan** provides that objections to **Claims**, if any, shall be Filed and served not later than thirty (30) **days** after the Effective Date unless such date is otherwise extended by this Court.

40. The **Plan provides that all motions** for Administrative **Expense Claims**, other than Professionals, shall be filed and served *not* later than thirty (30) **days** after the Effective Date.

41. Additionally, the **Plan provides that all Professionals'** applications for final allowance of compensation and reimbursement of expenses, if **any**, for services rendered before the Effective Date, shall be Filed and notice served on the Debtors, **CFC**, counsel for **CFC** and the Creditors' Committee, **not** later than sixty (60) days after the Effective Date.

42. Finally, *the Plan provides that* on or before ten (10) Business **Days** after occurrence of the Effective Date, the Debtors shall mail to all holders of Claims and Equity Interests a notice (the "Notice") that inform? such holders of (i) entry of the Confirmation Order; (ii) the occurrence of the Effective Date; (iii) the Administrative Expense Claims **Bar** Date; (iv) the deadline for Filing Professional *fee Claims*; (v) the identity and amount of any assumed Claims **or** liabilities pursuant to Section **8.3** or **8.4** of the **Plan**; and (vi) such other matters that the Debtors deem appropriate.

43. **CFC holds a Lien** on **property** of the Debtors, which Lien is valid, **perfected** and enforceable under applicable **state law**, and is not **subject to avoidance** under the Bankruptcy Code or applicable **non-bankruptcy law**.

Therefore, **THIS COURT HEREBY CONCLUDES**, as a matter of **law**, that:

1. This is a core proceeding within the meaning of 28 U.S.C. § 157.

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING THE AMENDED JOINT PLAN OF LIQUIDATION OF COSERVY TELECOM DEBTORS - Page 10
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2 As to all Classes, the Plan complies with all elements of Section 1129(a) of the Bankruptcy Code and is confirmable.

3. Findings of Fact may be considered Conclusions of Law, and vice versa, as appropriate.

Now, upon the motion of the Debtors and after due deliberation, the Court hereby ORDERS, ADJUDGES AND DECREES that:

1. The Findings and Conclusions of this Court set forth above shall constitute Findings of Fact and Conclusions of Law pursuant to Bankruptcy Rule 7052, made applicable to this matter by Bankruptcy Rule 9014.

2. To the extent that any provision designated herein as a Finding of Fact is more properly characterized as a Conclusion of Law, it is adopted as such. To the extent that any provision designated herein as a Conclusion of Law is more properly characterized as a Finding of Fact, it is adopted as such.

3. The terms of the Plan are incorporated in this Order and shall be treated as a part hereof. The provisions of this Order are integrated with each other and are mutually dependent and not severable.

4. The Plan is confirmed in all respects pursuant to Section 1129 of the Bankruptcy Code.

5. The record of the Confirmation Hearing is closed.

6. The Equity Interests to be cancelled pursuant to the Plan are cancelled and extinguished on the Effective Date. CoServ Realty GP, L.L.C. is hereby appointed as the agent, representative and liquidator of the Debtors for the purpose of winding up the Debtors' business

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING THE AMENDED JOINT PLAN OF LIQUIDATION OF COSERV TELECOM DEBTORS - Page 11 1177443v9

affairs and filing certificates of cancellation or dissolution, as appropriate, with the Secretary of State of Texas.

7. In accordance with Section 1141 of the Bankruptcy Code, the Plan and its provisions shall be binding upon the Debtors and their successors, any Person or Entity acquiring or receiving property under the Plan, any lessor at lessee of property to or from the Debtors, and any holder of a Claim against the Debtors or an Equity Interest in the Debtors.

8. On the Effective Date, the transfer of Assets by the CoServ Telecom Debtors to Denton Telecom Partners I, LP contemplated by the Plan will be legal, valid, binding and effective transfers of property and will vest in Denton Telecom Partners I, LP good title to such property, free and clear of all liens, Claims and encumbrances, except as otherwise specifically provided for herein or in the Plan.

9. CFC, Denton Telecom Partners I, LP and the Debtors shall comply fully with the Public Utility Regulatory Act (found in chapters 1 through 63 of the Tex. Util. Code Ann.) ("PURA") and the duly promulgated rules of the Texas PUC ("Texas PUC Rules") when transferring or seeking to transfer Assets or when relinquishing their Service Provider Certificates of Operating Authority subject to PURA and Texas PUC Rules. CFC and Denton Telecom Partners I, LP shall fully comply with applicable provisions of PURA and Texas PUC Rules after the Confirmation Date. Compliance with PURA and Texas PUC Rules may not be waived by CFC or the Debtors pursuant to Section 12.2 of the Plan. CFC, Denton Telecom Partners I, LP, the Debtors and the Texas PUC have entered into that certain Settlement Agreement of October 24, 2002, resolving the Texas PUC's objection to the Plan. Due to the unique facts and circumstances present in the Debtors' Chapter 11 Cases and in Texas PUC Commission Docket Nos. 26825 and 26826, the October 24, 2002 Settlement Agreement entered

into between the Texas **PUC**, CFC, Denton Telecom Partners I, LP, CoServ Communications and MTS shall never be cited as precedent against the Texas **PUC**.

10. In accordance with Section 1141 of the **Bankruptcy Code**, any property transferred or otherwise dealt with in the **Plan** (whether by transfer to third party or vesting in the Debtors) shall be free and clear of all Claims against the Debtors and interests in the Debtors, except those specifically provided herein or in the **Plan**, and all such property of the Debtors' Estates (as defined in Section 541 of the **Bankruptcy Code** or other applicable law) that the **Plan** provides to vest in the Debtors shall so vest on the Effective Date free of any **such Claims and interests**.

11. Except as provided in the **Plan** or herein, on and after the Effective Date, all Persons or Entities who have held, currently hold or may hold a debt, Claim or Equity Interest treated pursuant to the terms of the **Plan** are permanently enjoined from taking any of the following actions on account of any such **debt, Claim or Equity Interest: (i) commencing or continuing in any manner any action or other proceeding against the Debtors, any of their Affiliates, successors or assignees or current or future property of the Estates; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors, any of their Affiliates, successors or assignees, or current or future property of the Estates; (iii) creating, perfecting or enforcing any Lien or encumbrance against the Debtors, any of their Affiliates, successors or assignees, or current or future property of the Estates; (iv) asserting any setoff, right of subrogation or recoupment of any kind against any obligation due to the Debtors, any of their Affiliates, successors or assignees, or current or future property of the Estates; and (v) commencing or continuing any action in any manner, in any place that does not comply with or is**

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inconsistent with the provisions of the Plan or herein. Any Person or Entity injured by any willful violation of such injunction shall recover actual damages, including costs and attorneys' fees, and, in appropriate circumstances, may recover punitive damages from the willful violator.

12. In accordance with Section 1142 of the Bankruptcy Code, the Debtors, CFC, all parties in interest, and any other Entity created or Person designated pursuant to the Plan and their directors, officers, agents, attorneys and representatives, are authorized, empowered, directed and ordered to forthwith issue, execute, deliver, file and record any other agreement, document, instrument or certificate referred to in or contemplated by the Plan (collectively, the "Documents"), and to take any corporate or other action necessary, useful or appropriate to implement, effectuate and consummate the Plan and the Documents in accordance with their respective terms.

13. Pursuant to Section 1142(b) of the Bankruptcy Code, all Persons holding Claims or Equity Interests that are dealt with under the Plan and their directors, officers, agents, attorneys and representatives are directed and ordered to execute, deliver, file or record any document, and to take any and all actions necessary, useful or appropriate to implement, effectuate and consummate the Plan in accordance with its terms, and all such Persons shall be bound by the terms and provisions of all documents to be executed by them in connection with the Plan, whether or not such documents actually have been executed by such Persons.

14. The Releases contained in Sections 13.2.1 through 13.2.8 of the Plan are hereby approved.

15. Each and every federal, state, commonwealth, local or other governmental agency or department is hereby directed and ordered to accept any and all documents and instruments

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necessary, useful or appropriate to effectuate, implement or consummate the transactions contemplated by the Plan or this Order.

16. Prepetition Priority Tax Claims shall be paid in cash in full on the later of (i) the Effective Date, or (ii) ten (10) days after such Claims become Allowed Prepetition Tax Claims. The Prepetition Priority Tax Claims of the Texas Comptroller against CoServ Communications and MTS in the amounts of \$1,080,167.65 and \$111,825.66, respectively, shall be paid, in full, five (5) business days after the earlier of (i) Debtors, CFC and the Texas Comptroller reach a mutual agreement on the balance due or (ii) the entry of a Final Order by the Bankruptcy Court determining the amount due, together with interest at the rate of eight percent (8%) per annum commencing on the Effective Date.

17. Other Secured Claims held by the Ad Valorem Taxing Authorities, other than as described in paragraph 18 below, and any other Creditor whose Claim is based on tax shall be paid, in cash, on the later of (i) forty-five (45) days after the Effective Date or (ii) thirty (30) days after such Claims become Allowed Other Secured Claims, together with statutory interest at the rate of twelve (12%) percent per annum from the Petition Date until paid. To the extent that the holder of an Other Secured Claim holds a Lien to secure its Claim under applicable state law, such Lien shall remain in place and be unaffected by Confirmation of this Plan. Upon payment in full of such Claim, the Lien shall be deemed released.

18. All Administrative Expense Claims of the Ad Valorem Taxing Authorities which became due on January 1, 2002 ("2002 Taxes"), pursuant to Texas law, shall be paid on or before January 31, 2003, without the necessity of the holders of such Claims having to file proofs of claim in these Bankruptcy Cases. Thereafter, such taxes shall accrue interest and penalties pursuant to applicable Texas state law. The Debtors shall have sixty (60) days after the

respective taxing authorities **issue** tax bills **for 2002 ad valorem taxes** to File objections ~~to~~ such taxes, which objections shall be Filed in the Bankruptcy Court and **resolved by** the Bankruptcy Court. If the Debtors do **not** object within this sixty (60) day period, any applicable taxing authority **may** seek appropriate remedies under applicable state law, without further recourse to the Bankruptcy Court, as to any of the **2002 Taxes** that are **not** the subject of an otherwise timely Filed objection in the Bankruptcy Court. To the **extent that** the holder of an **Administrative Expense Claim holds** a Lien to secure its Claim under applicable **state** law for **1002 Taxes**, such **Lien shall remain** in place and be unaffected by Confirmation of this Plan. Upon payment in full of such Claim, **the Lien shall** be deemed released.

19. From and **after the** Effective Date, the Debtors may **use**, operate and deal **with** their respective Assets, and may conduct and change their businesses, without any supervision by the Bankruptcy Court or the Office of the United States Trustee, and free of **any restrictions** imposed on the Debtors by the Bankruptcy Code or by the Court during these Bankruptcy Cases.

20. Unless arising from a recovery by the Debtors' estates pursuant to an avoidance action, any new or amended proof of claim Filed after the Confirmation Date shall be of no further force and effect, **shall** be deemed Disallowed in full and expunged without any action by the Debtors.

21. Unless otherwise ordered by this Court, objections to **Claims** shall be Filed and served not **later** than thirty (30) days after the later of (a) the Effective Date or (b) the entry of an order allowing a late Filed claim. Any objection to Claims shall include a notice that responses to the objection must be Filed within thirty (30) days of service. If no response is Filed, this Court will consider the objection unopposed and act upon the objection **without a hearing**.

22. Allorions for the allowance and payment of Administrative Expenses, other than Professional fees and expenses, must be Filed on or before the thirtieth (30th) day following the Effective Date. Any such motion shall include a prominent notice that objections to the motion must be Filed within thirty (30) days of Filing such Claim. If no response is Filed, this Court may consider the motion without a hearing. The Texas Comptroller shall not be required to File a motion for payment of Administrative Expenses.

23. All Claims arising from a rejected Executory Contract shall be Filed with the Bankruptcy Court and served upon counsel for the Debtors, CFC and the Committee within thirty (30) days after the later to occur of (i) the giving of notice of Confirmation or (ii) the entry of an order by the Bankruptcy Court authorizing rejection of a particular Executory Contract.

24. All applications by Professionals requesting final allowance of compensation for services rendered or reimbursement of expenses incurred before the Effective Date shall be Filed and notice served on the Debtors, CFC, counsel for CFC and the Committee, nor later than sixty (60) days after the Effective Date. Any such application shall include a notice that responses to the application must be Filed within thirty (30) days following the Filing of such Professionals' application.

25. No distribution under the Plan shall be required to be made on a Claim until such Claim becomes an Allowed Claim by Final Order. Once a Claim becomes an Allowed Claim, the holder thereof shall receive a distribution for the relevant Class in which such Allowed Claim is included.

26. Each of the members of the Committee, CFC and the Debtors (and their respective members, affiliates, agents, attorneys, advisors, and directors) shall not be liable at

any time for violation of any applicable law, rule or regulation governing the solicitation of acceptance or rejection of the Plan.

27. The Committee is deemed the representative of the Debtors' Estates pursuant to Section 1123(b)(3)(B) of the Bankruptcy Code to handle objections to Claims and pursue any rights of action preserved pursuant to Section XIV of the Plan.

28. Pursuant to Section 1146(c) of the Bankruptcy Code, but subject to any stipulation between the Debtors and my taxing authority previously approved and so ordered by the Court, neither the issuance, distribution, transfer or exchange of any real or personal property under the Plan nor the revesting, transfer and sale of any real or personal property of the Debtors in accordance with the Plan shall subject the Debtors (or transferee, assignee or other agents therefor) to any state or local sales, we, transfer, documentary, recording, gains or original issue tax.

29. All distributions or cash, securities or other consideration required to be made pursuant to the Plan shall be made within such time as provided by the Plan and all such distributions shall be timely and proper if mailed by regular mail, postage prepaid, on or before the distribution date set forth in the Plan in accordance with Article IX of the Plan.

30. CoServ Telecom Debtors are authorized to reject and are deemed to have rejected, as of the Effective Date, all of their Executory Contracts except those Executory Contracts that are the subject of the (i) Motion Pursuant to Section 365 of the Bankruptcy Code for Approval of the Assumption and Assignment of Certain Non-Residential Real Property Leases and Executory Contracts filed on or about October 11, 2002, (ii) Amended Motion Pursuant to Section 365 of the Bankruptcy Code for Approval of the Assumption and Assignment of Certain Non-Residential Real Property Leases and Executory Contracts filed on or about October 25, 2002, or

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(iii) Second Motion Pursuant to Section 365 of the Bankruptcy Code for Approval of the Assumption and Assignment of Certain Non-Residential Real Property Leases and Executory Contracts filed on or about October 25, 2002.

31. Notwithstanding any provision of the Plan or this Order to the contrary, the Texas Comptroller shall not be (i) restrained, enjoined or prohibited from seeking to collect taxes, penalties and interest due from the Debtors against any person or entity liable for such taxes, penalties and interest, including any Exculpated Person, or (ii) enjoined or prohibited from exercising its setoff rights against any of the Debtors.

32. A failure to make a Plan payment to the Texas Comptroller pursuant to the terms of the Plan shall be an event of default. If CFC fails to cure an event of default as to tax payments within ten (10) days after service of a written notice of default from the Texas Comptroller, then the Texas Comptroller may (a) enforce the entire amount of its claim, (b) exercise any and all rights and remedies under applicable non-bankruptcy law of the tax creditor's state, and (c) seek such relief as may be appropriate in this Court.

33. Unless withdrawn with prejudice, all objections to Confirmation of the Plan (if any) are overruled and denied by this Court.

34. Pursuant to Bankruptcy Rule 3020(c) and the Plan, on or before ten (10) days after the occurrence of the Effective Date, CoServ Telecom Debtors shall serve notice of (i) entry of the Confirmation Order; (ii) the occurrence of the Effective Date; (iii) the Administrative Expense Claims Bar Date; (iv) the deadline for filing Professional fee Claims; (v) the identity and amount of any assumed Claims as liabilities pursuant to Sections 8.3 and 8.4 of the Plan; and (vi) such other matters that the Debtors deem appropriate, as provided in Bankruptcy Rule 2002(f) to all Creditors, Equity Interest holders and other parties in interest, to be sent by

first-class **mail**, postage prepaid, except to such parties who may be served by hand or facsimile or overnight courier, which service is hereby authorized.

35. Within 120 days after entry of this Order, or within such further time as this Court may allow, Debtors shall File with this **Coun** a post-Confirmation report which shall set forth the actions taken and the **progress** made towards the full and complete consummation of the Plan.

36. Debtors and CFC, after substantial consummation as defined under 11 U.S.C. § 1101(2), shall File an application for final decree.

37. If the application for Final Decree is not Filed within 150 days of the entry of this Order, a status conference will be held on March 3, 2003, at 9:00 a.m. If the Debton do not appear at the status conference, the Court, on its own motion, may enter a Final Decree **closing the cases pursuant** to Bankruptcy Rule 3022 or dismissing the cases.

38. In accordance with the Plan, the **Committee shall** cease to exist ten (10) Business Days following final distribution of all proceeds from the Reserve Accounts.

39. Notwithstanding Confirmation of the Plan, this Court retains jurisdiction over the Debtors' Bankruptcy Cases pursuant to and for the purposes set forth in (a) Sections 105(a) and 1127 of the Bankruptcy Code, (b) Article 15 of the Plan and (c) for such other purposes as may be necessary or useful to aid in the implementation and consummation of the Plan and its implementation.

40. If the Effective Date does not occur on or before December 31, 2002, unless otherwise ordered by this Court, (i) this Order shall be deemed vacated; (ii) all deadlines established by the Plan or this Order shall be deemed vacated; (iii) these Bankruptcy Cases will continue as if Confirmation of the Plan has not occurred; and (iv) the Plan will be of no further force and effect, with the result that Debtors, CFC, Creditors, and other parties will be returned

to the same position as if Confirmation had not occurred. The failure of the Effective Date to occur shall not affect the validity of any order entered in these Bankruptcy Cases other than this Order

41 Debtors shall, within ten (10) days of the entry of this Order, (i) serve all Creditors and parties in interest with the Notice of Entry of Confirmation Order in the form attached hereto as Exhibit "A", and (ii) serve this Order on the Creditors and holders of Equity Interests in Classes 2, 5.6 and 7.

Signed: October 28, 2002, Fort Worth, Texas.

ORIGINAL SIGNED BY
/s/ DENNIS MICHAEL LYNN

HON. D. MICHAEL LYNN
UNITED STATES BANKRUPTCY JUDGE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
PORT WORTH DIVISION

IN RE	§	CASE NO. 01-48684-DM1
	§	
COSERV, L.L.C. d/b/a COSERV	§	Chapter 11
COMMUNICATIONS, <i>et al.</i>	§	
(Fed. Tax I.D. Nu. 75-2702586)	§	(Jointly Administered)
	§	
Debtors.	§	

NOTICE OF ENTRY OF CONFIRMATION ORDER

CoServ, L.L.C. d/b/a CoServ Communications, CoServ Telecom, GP, L.L.C., DWB GP, Inc., CoServ Telecom Holdings, L.P., MultiTechnology Services, L.P. d/b/a CoServ Broadband Services and Dallas Wireless Broadband, L.P. d/b/a CoServ Broadband (collectively, the "Telecom Debtors"), debtors and debtors in possession in the captioned Chapter 11 cases, hereby notify all parties in interest of the entry of Findings of Fact, Conclusions of Law and Order Confirming the Amended Joint Plan of Liquidation of CoServ Telecom Debtors ("Confirmation Order") confirming the Amended Joint Plan of Liquidation dated and filed July 25, 2002 (the "Plan"). The Confirmation Order was signed and entered by the Court on October 25, 2002.

Please take notice that none of the Classes voted to reject the Plan

The Confirmation Order provides, among other things, as follows.

(a) **Rejection Claims:** All Claims arising from an Executory Contract rejected pursuant to Section 365(a) of the Bankruptcy Code or Section 11.1 of the Plan shall be filed with the Bankruptcy Court and served upon counsel for the Debtors, the Creditors' Committee and CFC within thirty (30) days after the later to occur of (i) the giving of notice of Confirmation to such party or (ii) the entry of an order by the Bankruptcy Court authorizing rejection of a particular Executory Contract.

If you fail to timely file a proof of claim for damages arising from your rejected Executory Contract, then you will receive no claim (\$0.00) against the Debtors or such damages.

EXHIBIT "A"

If you had a contract with one of the Debtors prior to November 30, 2001, and your contract has (i) not been assumed by written order of this Court or (ii) is not listed in the (a) Motion Pursuant to Section 365 of the Bankruptcy Code for the Approval of the Assumption and Assignment of Certain Non-Residential Real Property Leases and Executory Contracts¹ filed on October 11, 2012, (b) Amended Motion Pursuant to Section 365 of the Bankruptcy Code for Approval of the Assumption and Assignment of Certain Non-Residential Real Property Leases and Executory Contracts filed on or about October 25, 2002, or (c) Second Motion Pursuant to Section 365 of the Bankruptcy Code for Approval of the Assumption and Assignment of Certain Non-Residential Real Property Leases and Executory Contracts filed on or about October 25, 2002, it will be deemed rejected by the Debtors pursuant to Section 11.1 of the Plan as of the Effective Date of the Plan

- chi Unless arising from an avoidance action, any new or amended proof of claim filed after the Confirmation Date shall be of no further force and effect, shall be deemed disallowed in full and expunged without any action by the Debtors.

Copies of the Confirmation Order and the Motions referenced above can be obtained at www.gardere.com/bankruptcy or from Jennifer Blotcky, Gardere Wynne Sewell, L.L.P., 1601 Elm Street, Suite 3000, Dallas, Texas, 75201, by telephone (214-999-4316) or facsimile (214-999-3316).

Dated: October 25, 2002

¹ Available on Debtors' counsel's website at www.gardere.com/bankruptcy/listleases.asp or by contacting Jennifer Blotcky, Gardere Wynne Sewell LLP, 3000 Thanksgiving Tower, 1601 Elm Street, Dallas, Texas 75201; telephone number (214) 999-4316.

CAKDERE WYNNE SEWELL LLP

By: _____
Holland Neff O'Neil (14864700)
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**ATTORNEYS FOR COSERV, L.L.C. d/b/a
COSERV COMMUNICATIONS, et al.
DEBTORS AND DEBTORS-IN-POSSESSION**

NOTICE OF ENTRY OF CONFIRMATION ORDER - Page 3
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
2000 Biennial Review – Review of Policies and Rules Concerning Unauthorized Changes of Consumers’ Long Distance Carriers))))	CC Docket No. 00-257
Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996)))	CC Docket No. 94-129
Denton Telecom Partners I, LP)	

Declaration

I have been appointed to serve as Chief Executive ~~Officer~~ of Denton Telecom Partners I, L.P. (“Denton”), the assignee of the assets comprising ~~CoServ, LLC d/b/a CoServ Communications’~~ (“CoServ”) competitive local exchange carrier (“CLEC”) operations, ~~including the domestic and international long distance service (“CoServ Operations”).~~

Upon consummation of the transaction approved by the ~~United~~ States Bankruptcy Court for the Northern District of Texas, Fort Worth Division (“~~Bankruptcy~~ Court”), Denton will take over operation of the ~~CoServ~~ Operations. In ~~so doing~~, Denton will not materially change the ~~services~~ offered to CoServ’s customers or the ~~rates~~ at which the ~~services~~ are provided. ~~Additionally~~, Denton will ~~maintain~~ a toll-free number at which the ~~CoServ~~ customer may contact Denton to ~~obtain~~ answers to questions ~~about the transaction, the services or the rates.~~

Within ten (10) business days after the ~~closing~~ of the transaction, Denton will ~~send~~ to each of CoServ’s customers a notice setting forth the information required by ~~Section 64.1120(e) of the~~ Commission’s rules, 47 C.F.R. § 64.1120(e), in form and substance like that attached to the Petition as ~~Exhibit A.~~

I have ~~reviewed~~ the Petition for Expedited Grant of a ~~Limited Waiver of Section 64.1120~~ of the FCC’s rules, 47 C.F.R. §64.1120. The facts asserted in the Petition are true and correct to the best of my personal ~~knowledge, information and belief.~~

The facts asserted in this declaration also are true and ~~correct to~~ the best of my personal knowledge, information and belief.



E. Clarke Garnett,
Chief Restructuring ~~Officer,~~
CoServ, LLC d/b/a CoServ Communications

Appointed Chief Executive Officer
Denton Telecom Partners I, L.P.

October 25, 2002

Certificate of Service

I, Elizabeth Morgan, an employee of **Akin, Gump, Strauss, Hauer & Feld, L.L.P.**, hereby certify that a copy of the foregoing Petition for Waiver has been served this 8th day of November, 2002, via messenger, on the following:

<p>Nancy Stevenson Consumer and Governmental Affairs Bureau Federal Communications Commission 445 12th Street, S.W. Washington, DC 20551</p>	<p>David Marks Consumer and Governmental Affairs Bureau Federal Communications Commission 445 12th Street, S.W. Washington, DC 20554</p>
<p>Qualex International 445 12th Street, S.W. Room CY-B402 Washington, DC 20554</p>	

Elizabeth Morgan