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ORIGINAL

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OneStar TJ759
Telrite TJ776

September 7, 2004

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DISTRIBUTION CENTER
SEP - 8 AM 11:07
04 SEP - 8 AM 10:27
COMMISSION
CLERK

BY OVERNIGHT DELIVERY

Florida Public Service Commission
Executive Secretary
2540 Shumard Oak Drive
Tallahassee, FL 32399

RE: Notification of an Asset Purchase Agreement between OneStar Long Distance, Inc. and Telrite Corporation

Dear Sir or Madam:

On behalf of OneStar Long Distance, Inc. ("OneStar") and Telrite Corporation ("Telrite") (collectively referred to as "the Parties"), this letter is to advise the Commission of a an Asset Purchase Agreement (the "Agreement"). A copy of the Agreement is available upon request. Under the Agreement, Telrite will acquire substantially all of the telecommunications assets of OneStar, including but not limited to OneStar's customer accounts (the "Acquisition"). The Parties are also requesting **the Commission waive the verification requirements of Florida Administrative Code Rule 25-4.118.**

Since February 3, 2004, OneStar has been operating under the protection of the United States Bankruptcy Court for the Southern District of Indiana, Evansville Division, (the "Bankruptcy Court").¹ In connection with that bankruptcy proceeding, on June 30, 2004, the Bankruptcy Court conducted an auction of the OneStar assets. On July 16, 2004, the Bankruptcy Court ordered that Telrite should purchase the assets of OneStar, pursuant to auction procedures previously approved in this case.²

The Parties submit that the expeditious completion of the Acquisition is necessary in order to ensure uninterrupted service to OneStar's customers. In order to

¹ See In Re: OneStar Long Distance, Inc., Debtor, USBC So. Dist. Indiana, Evansville Division, Case No. 03-72697.

² IceNet, LLC, a creditor of OneStar, contributed to the high bid of Telrite at auction, and is included in the Court's Order as a purchaser, however, IceNet's economic interest in the purchase is solely that of remaining, for an agreed upon period of time, as a wholesale provider of transport services for the customers that Telrite is acquiring.

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

09770 SEP-8

FPSC-COMMISSION

ensure that OneStar customer needs continue to be met, Applicants entered into a management agreement whereby Telrite shall provide financial and managerial support to OneStar in order to fund the continued operations and provision of service and Telrite shall act as manager, subject to OneStar's continuing oversight, until such time as all required regulatory approvals have been obtained.

The proposed Agreement and the Acquisition will be beneficial to the involved companies as well as OneStar's customers. In compliance with applicable law, customers of OneStar will be informed of the Acquisition and will be given the opportunity to switch their service from Telrite to a different carrier.³ Accordingly, the Acquisition will not in any way be detrimental to the public interests of this State.

Telrite is a privately held Georgia corporation with principal offices located at 1115 Church Street, Covington, Georgia 30014. Telrite is a certified long distance telecommunications provider in this State.⁴

OneStar is a privately held Indiana corporation with principal offices located at 7100 Eagle Crest Boulevard, Evansville, Indiana 47715. OneStar is a certificated carrier in this State.⁵

The Parties submit that the Acquisition includes the following:

- a. Telrite receives ownership, right, title and interest in and to all of OneStar's assets, including its customer accounts, as defined in the Agreement.
- b. The estate of OneStar receives the purchase price set forth in the Agreement pursuant to the Order of the Bankruptcy Court.

Telrite is well qualified to consummate the transactions which are the subject of this notice. Current financial information for Telrite is available upon request. Telrite proposes these transactions to ultimately ensure that the service to OneStar's customers continues uninterrupted.

³ The proposed form of the customer notice is provided in Exhibit A.

⁴ Telrite provides long distance telecommunications services in this State pursuant to authority granted in Docket No. 030240-TI, dated July 2, 2003.

⁵ OneStar provides long distance telecommunications services in this State pursuant to authority granted in Docket No. 990063-TI dated April 19, 1999.

Critical to the Acquisition is the need to ensure the continuation of high quality, uninterrupted service to all customers currently served by OneStar. The Acquisition will serve the public interest in that it will ensure that current OneStar customers maintain uninterrupted service, notwithstanding OneStar's financial difficulties. The Acquisition will also serve to create a heightened level of operating efficiency which generally will serve to enhance the overall capacity of Telrite to compete in the marketplace and to provide telecommunications services for a greater number of consumers in this state at competitive rates.

Because Telrite will acquire substantially all of the assets of OneStar and OneStar will thereafter cease operations in this State, OneStar will no longer require authority to provide service in this State. Applicants therefore respectfully request that the Commission grant any authority necessary to permit OneStar to relinquish its certification in this State.

The parties are forwarding this letter to the Commission for informational purposes, to be included in the appropriate files. The parties will proceed on our understanding that no approval or other formal action is required by the Commission in order to consummate this transaction.

Enclosed please find an original and six (6) copies of this letter. Please date stamp and return the additional copy in the envelope provided.

Thank you very much for your assistance with this matter.

Respectfully submitted,



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Telephone: (504) 832-1984
Counsel for Telrite Corporation

Enclosures

cc: Douglas D. Orvis III, Esq.
Darryl Davis

"Exhibit A"

Telrite Corporation

OneStar Long Distance, Inc.

(Customer Name)
(Address)

Dear Customer:

Telrite Corporation ("Telrite") and OneStar Long Distance, Inc. ("OneStar") have entered into an Asset Purchase Agreement, whereby the telecommunications assets of OneStar will be acquired by Telrite, and Telrite will become your telecommunication service provider. Telrite anticipates becoming your telecommunications provider on _____ or shortly thereafter.

This change in ownership will not affect or in any way disrupt your current service. **The rates and terms and conditions of the services offered by Telrite will be the same as those offered by OneStar.** A copy of Telrite's terms and conditions for long distance services is attached hereto along with your billed rate plan. No charges or fees will be imposed and no rate increase will occur as a result of this transaction. Telrite will inform you, by bill insert, of any post-transaction changes which may occur.

You have a choice of carriers. If you do not wish to remain a customer, you may change carriers and such change will be at Telrite's expense. Telrite will make every effort to resolve outstanding OneStar customer complaints. The toll free Customer Service number will remain the same and if you have any questions, please call one of our Customer Service Representatives at 1-866-890-4135.

All customers receiving this notice, including those who have arranged preferred carrier freezes through their local service providers, will be transferred to Telrite.

We at Telrite are pleased to welcome you to our team and would like to express our appreciation for allowing us the opportunity of being your telecommunication service provider. We are confident that you will be pleased with the high quality of our service.