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* OF BOOKHOLDER & BASSETT, P.C.

April 29, 1997



970912-

Via Facsimile and US Mail

Ms. Nancy Pruitt
Florida Public Service Commission
Division of Communications
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399

RE: Long Distance Services, Inc.

Dear Ms. Pruitt:

This letter is transmitted to you and your offices as a counter-offer to resolve a disputed claim. As such, neither the fact of the letter nor its contents are contemplated to be used before any tribunal as evidence of any admission, or a waiver or a diminishment of any defense, right or claim that Long Distance Services, Inc., [LDSI], or its officers, directors or employees, may have under either state or federal law.

Under federal evidentiary rule, Florida evidentiary rule and Michigan evidentiary rule, LDSI proposes a settlement offer to the pending applications to show cause, #970-312-TI and 970-352-TI, and any other similar claims arising out of the same facts and circumstances connected to those applications, including but not limited to, claims involving or implicating FLA. 25-24.480, FLA. 25-24.470, FLA. 25-4.043, and FLA. 25-4.118, that LDSI tender by check the total amount of six thousand (\$6,000.00) dollars, with one thousand (\$1,000.00) dollars being applied to resolve past issues relating to the claimed violation of FLA 25-24.480, and five thousand (\$5,000.00) dollars relating to the other claimed violations. In consideration of this, the Florida Public Service Commission shall grant a certificate to provide interexchange service to LDSI by the Public Service Commission meeting June 10, 1997.

As further consideration, LDSI represents that it is taking and will take remedial and reasonable measures to prevent future claims from being brought against it in Florida, including the following:

- 1) On January 16, 1997, LDSI ceased all marketing to Florida residential consumers, and will not begin any marketing without:
- I) independent third party verification of a minimum of ten (10%) percent of letters or authority [LOAs] transmitted to LDSI by Florida residential consumers;

ACK _____
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 CMU I
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Re: Long Distance Services, Inc.

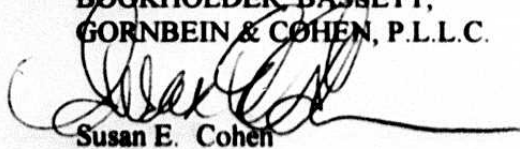
- ii) transmittal to all Florida consumers who indicate by written LOA a post card confirming that LDSI has received notification by that consumer that he or she wishes to transfer his or her long distance service, and providing each consumer a minimum of fourteen (14) days to fill out a preprinted prepaid post card canceling the prospective transfer (which will not occur until a minimum of twenty-one (21) days from the actual mailing of the proposed introduction package);
- iii) no marketing by any sweepstakes box or sweepstakes type of program.

We hope this proposed settlement offer brings final closure to this matter. I would appreciate it if you would keep me apprised of the status of this resolution.

As always, should you have any questions or concerns regarding this or any other matter, please do not hesitate to contact me. I look forward to speaking with you soon.

Very truly yours,

BOOKHOLDER BASSETT,
GORNBEIN & COHEN, P.L.L.C.



Susan E. Cohen

SEC/kmh

cc: Allan Barash, President
Long Distance Services, Inc.