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October 15, 1998

HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, Florida 32399-0850

Docket No. 981347-TC

Re: **Transfer of Majority Organizational Control of NEFCOM Technologies, Inc. to Townes Telecommunications, Inc**

Dear Ms. Bayo:

Townes Telecommunications, Inc. ("TTI" or "Buyer") and Gladys Walker, Leon Conner, Fred Paul Conner and Linda Sue Combs (collectively referred to as "Seller"), by and through their undersigned counsel, and pursuant to section 364.33, Florida Statutes, hereby request authority to transfer majority organizational control of NEFCOM Technologies, Inc. ("NTI") to TTI. NTI is authorized by the Commission pursuant to Certificate No. 5355 to provide pay telephone service in the State of Florida.

The Buyer and Seller are represented in this docket by the following

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The parties respectfully request expedited treatment of this request in order to permit them to consummate the proposed transaction as soon as possible. A description of the parties and the transaction are provided below. An original and twelve (12) copies of this letter are enclosed. Please date-stamp the enclosed extra copy of this filing and return the same to the undersigned.

THE PARTIES

TTI is a Texas corporation with headquarters at P. O. Box 729, Lewisville, Arkansas 71845. TTI has a long and successful history in the operation of local exchange telecommunications companies and the provision of telecommunications services in other states. For instance, TTI has engaged in the provision of regulated local exchange and access services since 1981 with the purchase of Walnut Hill Telephone Company, Inc. in Lewisville, Arkansas. Since that time, TTI has acquired and continues to operate four additional local exchange properties in four additional states. TTI is a local exchange operator representing approximately 12,500 access lines in total.

The Seller consists of four individuals - - Gladys Walker, Leon Connor, Fred Paul Conner and Linda Sue Combs - - who collectively own 100% of the stock of NEFCOM, Inc. NEFCOM, Inc. is a Florida corporation with its principal place of business at P. O. Box 485, Macclenny, Florida 32063. NTI is a wholly-owned subsidiary of NEFCOM, Inc.

THE TRANSACTION

In July 1998, TTI and Seller executed a Letter of Agreement for Sale of Stock under which the parties agreed they will enter into a definitive agreement for the purchase and sale of NEFCOM, Inc. A copy of the Letter of Agreement is attached hereto as Exhibit A. The closing of the transaction is subject to certain specified conditions, including regulatory approval of this Commission.

The purchase and sale of the parent company of NTI will be transparent to the pay telephone service end users in the State of Florida. The proposed transaction will not involve any immediate change in the manner in which NTI provides pay telephone services to its customers. The name of the certificated company will remain NEFCOM Technologies, Inc.

Consummation of the proposed transaction will serve the public interest as it will bring to the State of Florida and the NTI customers: (a) sound, experienced telecommunications company ownership and management; (b) the financial resources necessary to continue the provision of reliable pay telephone services; and (c) the availability of high quality, competitively priced services in the emerging competitive provision of telecommunications services.

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We would add that pursuant to Order No. PSC-98-1376-FOF-TP issued October 12, 1998, the Commission approved the transfer of majority organizational control of Northeast Florida Telephone Company, Inc. and Northeast Florida Long Distance Company, Inc. from the above-referenced four shareholders of NEFCOM, Inc. to TTI. Approval of the transfer of majority organizational control of NTI from these same four shareholders of NEFCOM, Inc. to TTI is necessary to the consummation and closing of the sale of the three telecommunications entities to TTI.

REQUEST FOR RELIEF

For the reasons stated above, the parties request that the Commission approve the purchase of NEFCOM, Inc., the parent corporation of NTI, by Townes Telecommunications, Inc from Gladys Walker, Leon Conner, Fred Paul Conner and Linda Sue Combs.

Respectfully submitted,



Kenneth A. Hoffman

KAH/rl

Enclosure

cc Benjamin H. Dickens, Jr., Esq.
Mr. Larry Townes
Mr. Tom Williams
Ms. Lynne Brewer

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Letter of Agreement for
Sale of Stock

This Agreement sets forth the terms and conditions upon which Townes Telecommunications, Inc. ("Buyer") proposes to acquire all of the issued and outstanding stock of NEFCOM, Inc., the parent corporation of Northeast Florida Telephone Company, Inc., from Gladys Walker, Leon Conner, Fred Paul Conner and Linda Sue Combs (Collectively referred to as "Seller").

1. Purchase Price. The consideration to be paid in connection with the acquisition shall be \$19 million (nineteen million dollars), plus the assumption of all debt owed by Northeast Florida Telephone Company, Inc. to the Rural Utilities Service and to the Rural Telephone Cooperative. The combined amount for such debt was \$6.835718 million as of June 30, 1998. The parties recognize that Seller may make scheduled payments on the aforesaid debt between the date of this Agreement and the time of closing, and that Buyer will assume the remaining balance at closing.
2. Definitive Purchase Agreement. The parties will enter into a Definitive Purchase Agreement as soon as practical following the execution of this Agreement.
3. Other Conditions. The closing of the transaction is subject to the satisfaction of the following conditions:
 - a. execution of a Definitive Purchase Agreement effectuating the terms of this acquisition as set forth herein, satisfactory in form and substance to both Buyer and Seller;



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- b. the absence of any material adverse change (including litigation) in the business, assets, condition (financial or otherwise) or prospects of NEFCOM, Inc. or Northeast Florida Telephone Company, Inc. prior to closing;
 - c. approval as necessary from the Stockholders of Seller, any Federal and/or State regulatory authority, the USDA Rural Utility Service, The Rural Telephone Finance Cooperative, and any other administrative or statutory consent, including Hart - Scott - Rodino pre-merger notification, if applicable, and lenders of NEFCOM, Inc. and Northeast Florida Telephone Company, Inc.
 - d. the operation of the property by the Seller according to normal business practices and procedures, including the maintenance of cash balances existing as of June 30, 1998.
4. Exclusivity. Seller agrees that until such time as this Agreement has terminated in accordance with its provisions, neither it nor any of its representatives, officers or stockholders will entertain, accept or discuss a possible sale or other disposition of stock with any other party or provide any information to any party in connection therewith. Seller represents that neither it nor, NEFCOM, Inc. or Northeast Florida Telephone Company, Inc. are a party or are bound by any Agreement with respect to sale of stock, other than this Agreement.

5. Expense Reimbursement. Both Buyer and Seller shall be responsible for their own expenses incurred in connection with the transaction contemplated hereby.
6. Termination. This Agreement will terminate and be of no further force and effect upon the earlier of (a) execution of a Definitive Purchase Agreement, or at the closing of the transaction, whichever occurs earlier. Notwithstanding anything in the previous sentence, the termination of this Agreement shall not affect any rights any party has with respect to the breach of this Agreement by any party to the transaction.
7. Expiration of Offer to Purchase. Buyer's offer to purchase the stock of NEFCOM, Inc. will remain in effect through July 28, 1998, unless accepted in writing by you, as provided below, or otherwise extended or terminated in writing by Buyer's representative prior to Seller's acceptance.
8. Timing. If Seller finds the proposal acceptable, it is requested that the transaction be consummated in the most efficient manner possible. To accomplish this we would propose that the closing occur by September 30, 1998 or when necessary approvals have been received.

9. Controlling Law. This Agreement shall be governed by the laws of the State of Florida. If you are in agreement with the terms set forth above and desire to proceed with the transaction on this basis, please sign this letter agreement in the place provided and return an executed copy to Buyer.

Dated this ___ day of July, 1998.

TOWNES TELECOMMUNICATIONS, INC.

By: _____

[Handwritten signature]

GLADYS WALKER

[Handwritten signature]

LEON CONNER

[Handwritten signature]

FRED PAUL CONNER

[Handwritten signature]

LINDA SUE COMBS

[Handwritten signature]