

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

ORIGINAL

WASHINGTON OFFICE
3000 K STREET, NW, S. STE 300
WASHINGTON, DC 20007-5116
TELEPHONE (202) 424-7500
FACSIMILE (202) 424-7647

NEW YORK OFFICE
919 THIRD AVENUE
NEW YORK, NY 10022-9998
TELEPHONE (212) 758-9500
FACSIMILE (212) 758-9526

October 21, 1998

VIA FEDERAL EXPRESS

Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

980000

Re: National Telephone & Communications, Inc. - Docket No. 910638-TI,
Certificate No. 2684

Dear Ms. Bayo:

On behalf of National Telephone & Communications, Inc. ("NTC"), this letter is to advise the Commission of a series of transactions whereby Mr. John P. Casey, over the course of the past year, has acquired a 30 percent interest in NTC's direct and ultimate parent, Incomnet, Inc. ("Incomnet"). NTC also hereby informs the Commission of an accompanying change in the structure of Incomnet's Board of Directors, which became effective September 29, 1998. NTC is a nondominant carrier authorized by the Commission to provide resold intrastate interexchange telecommunications services. A description of the Parties and the transaction are provided below.

Upon review of the Florida statutes and Commission rules, it is the understanding of the Parties that prior Commission approval is not required for the transaction described herein.

Description of the Parties

NTC is a privately held corporation organized under the laws of the State of Delaware. The Company's principal offices are located at 2801 Main Street, Irvine, California 92614. NTC is wholly owned by Incomnet, a publicly traded company organized under the laws of the State of California.

NTC is authorized to provide resold intrastate interexchange telecommunications services throughout the State of Florida pursuant to certification granted by the Commission, by Order in Docket No. 910638-TI (Certificate No. 2684), dated September 13, 1991. In addition to the services NTC provides to its Florida subscribers, NTC currently is authorized to provide resold

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intrastate interexchange telecommunications services in forty-nine states pursuant to certification, registration or tariff requirements, or on an unregulated basis. NTC is also authorized by the Federal Communications Commission ("FCC") to provide international services as a non-dominant carrier. NTC has filed and maintains a domestic interstate tariff and an international tariff.

Mr. Casey, a Senior Vice President of Meridian Investments, Inc. ("Meridian"), maintains his business offices at 10220 River Road, Suite 115, Potomac, Maryland 20854. Mr. Casey has extensive experience in financial and marketing matters.

Description of the Transaction

Over the course of the past year, Mr. Casey has steadily increased the size of his investment in Incomnet, NTC's parent company, to approximately 30 percent of the outstanding shares of the Company. Mr. Casey is now the largest shareholder of Incomnet. Additionally, Mr. Casey currently holds an option (the "Cohen Option") to purchase Series A and Series B Convertible Preferred Stock which is convertible into common stock. He intends to exercise this option on November 5, 1998, and has agreed to resell these shares back to Incomnet within a one year period. If the Company does not redeem this stock during that period, the common stock issuable pursuant to the conversion of the preferred stock that is subject to the Cohen Option will be offered on a pro rata basis to all Incomnet shareholders at a price representing no actual profit to Mr. Casey. If Incomnet had sufficient authorized but unissued common stock to effect a conversion of these preferred shares and the other preferred shares that were tendered for conversion in June 1998, Mr. Casey would own approximately 47 percent of the shares of the outstanding common stock of Incomnet. At this time, however, Incomnet does not have sufficient common stock authorized to permit conversion of Incomnet's preferred stock. The Company is currently preparing a proxy statement to increase the available shares from 20 million to 50 million. After the new shares are authorized and issued, it is expected that Mr. Casey will hold a 16 percent interest in Incomnet.

In addition, Incomnet's Board of Directors has recently undergone a restructuring whereby five of the six directors were replaced by new directors, including Mr. Casey. NTC is now operating under a new management team that has substantial experience and the financial resources which will enable the Company to continue providing high quality, competitively-priced telecommunications services to its subscribers.

Although Mr. Casey has acquired a substantial minority interest in NTC's parent company, the transaction has not resulted in a change in the manner in which NTC provides services to its Florida customers. NTC continues to provide service under its same name and pursuant to its tariff currently on file with the Commission. The transaction has not caused inconvenience or confusion to NTC's customers or otherwise adversely impacted the operations

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of NTC. Rather, the investment in NTC's parent company and the change in the composition of the Board of Directors is expected to provide NTC with the financial and managerial resources required to permit it to continue offering high-quality telecommunications service to its customers.

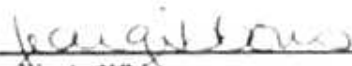
Conclusion

Upon review of the Florida statutes and Commission rules, it is the understanding of the Parties that prior Commission approval is not required for the transaction described above. This letter is forwarded to the Commission for informational purposes, to be included in the appropriate file. Please contact the undersigned if you have any questions regarding this transaction.

An original and five (5) copies of this letter are enclosed. Please date-stamp the enclosed extra copy of this filing and return it in the attached self-addressed, stamped envelope.

Respectfully submitted,

Dale R. DeForge
National Telephone & Communications,
Inc.
2801 Main Street
Irvine, CA 92614
Telephone: (949) 224-7750
Facsimile: (949) 224-7751


Phyllis A. Whitten
Jean Gibbons
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, DC 20007-5116
Telephone: (202) 424-7500
Facsimile: (202) 424-7645

Counsel for National Telephone &
Communications, Inc.

cc: Mr. Tom Williams (FPSC)