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October 29, 1998

BY FEDERAL EXPRESS

Ms. Blanca Bayo
Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

981476-TI

Re: Transfer of Control of Calls For Less, Inc. to ILDTelecommunications, Inc.

Dear Ms. Bayo:

CfL, L.L.C. ("CFLLC"), its wholly owned subsidiary Calls For Less, Inc. ("CFL") and ILDTelecommunications, Inc. ("ILD") (collectively the "Parties"), by their attorney, hereby respectfully notify the Florida Public Service Commission ("Commission"), of the transfer control of CFL from CFLLC to ILD. CFL currently is certified to provide intrastate telecommunications services in Florida, and will continue to operate as a telecommunications services provider in Florida after the transfer of control.

CFLLC is a South Dakota privately held limited liability company.¹ It maintains its principal office at 725 N. Derby Lane, P.O. Box 1550, North Sioux City, South Dakota. CFLLC's wholly owned subsidiary, CFL is authorized to provide 1+ interexchange services, including prepaid services, in 48 states, including Florida. CFL received its authority to provide intrastate telecommunications services in Florida on June 13, 1995 in Docket No. 971199-TI.

¹ In May 1998, CFL's shareholders completed an ownership restructuring whereby they exchanged their ownership interests in CFL for membership interests in CFLLC. This restructuring in no way altered the ultimate ownership or control of CFL.

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ILD is a Delaware corporation headquartered at 14651 Dallas Parkway, Suite 905, Dallas, Texas 75240. ILD's largest shareholder is Intellicall, Inc. which owns forty-three percent (43%) of ILD's outstanding common stock. ILD, through its wholly owned subsidiary Intellicall Operator Services, Inc. ("IOS"), offers prepaid telecommunications services to individual consumers nationwide through retail outlets and direct response media. IOS also provides traditional long distance products and services for the commercial market which include direct dial domestic and international calling, T-1 voice and data services, inbound 800/888 services, calling card programs for corporate employees, operator assistance and advanced invoicing and reporting features. IOS is authorized to provide "1+" interexchange services in 49 states, including Florida. IOS received its authority to provide intrastate telecommunications services in Florida on October 19, 1988 in Docket No. 880816-TI. IOS also is authorized by the Federal Communications Commission ("FCC") to provide interstate and international telecommunications services.

On August 11, 1998, ILD and CFLLC completed a transaction pursuant to which ILD acquired CFL by purchasing all of CFL's issued and outstanding shares from CFLLC.² Prior to the transfer of the stock of CFL to ILD in August, CFL had long term debt of \$1,088,930 and very modest cash flow. In order to take advantage of opportunities to obtain major new prepaid long distance service accounts, CFL believed that it was important to upgrade its balance sheet to reflect a more stable operating environment and to access new funds for facilities to meet the needs of these substantial new customers. It appeared to CFL that the surest way to address these issues was to find a compatible strategic partner. The merger of CFL's long distance and prepaid business into ILD's similar operations permits the parties to recapitalize CFL to eliminate its long term debt and to establish reserves for certain contingent liabilities. It also provides access to the immediate capital necessary to put in place additional network and switch capacity and makes available to CFL the existing and more cost effective network operated by IOS. This additional capacity is urgently needed to accommodate the new high volume retail distribution accounts that represent significant growth opportunities for CFL.

The transfer of control is transparent to consumers in Florida and will not adversely affect the provision of telecommunications services in Florida. CFL continues to exist and provides service as before although it is now as a wholly owned subsidiary of ILD. Consummation of this transaction will not in any way undermine the financial condition of ILD or its ability to continue to provide, through IOS, high quality telecommunications services to its customers in Florida.

CFL will continue to operate as it has in the past, pursuant to the same name, tariff and operating authority. Thus, the transfer of control will be seamless and will have no adverse impact on CFL's customers in Florida. On the contrary, CFL's access to ILD's capital, economies of scale, and various service offerings will enable it to improve its services to both existing and new customers.

² Diagrams depicting the transaction are appended hereto as Attachment A.

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ILD and its subsidiaries possess all financial, managerial and technical qualifications necessary to assume ultimate control of CFL. ILD is a rapidly growing telecommunications company that was founded in 1996 to hold IOS's then existing telecommunications business. For the three months ended December 31, 1997, ILD had revenues and EBITDA of \$23.8 million and \$1.2 million, respectively. Revenues increased by \$16.7 million, or 235% from \$7.1 million for the three months ended December 31, 1996. The Company is led by a management team with many years of experience in executing and integrating acquisitions in the telecommunications industry.

The transfer of control of CFL from CFLLC to ILD is in the public interest. ILD's acquisition of CFL, as noted above, will be transparent to CFL's existing customers. The combination of CFL and ILD will enhance both CFL's and ILD's ability to compete in the market for telecommunications services in Florida. Both companies will benefit from increased economies of scale that will permit them to operate more efficiently and thus to compete more effectively. Over time, consumers in Florida will benefit from the availability of increased long distance telecommunications products and service options.

It is the Parties belief that no action is required by the Commission with respect to this transaction. If this understanding is incorrect, the Parties respectfully request that the Commission notify them within 30 days of the date of this letter. Absent written notice to the contrary, the Parties will assume that their understanding is correct and will consider this matter closed.

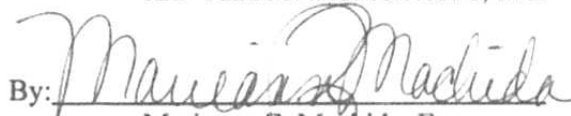
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Please do not hesitate to contact me at (202) 955-9883 if you have any questions.

Respectfully submitted,

CFL, L.L.C.,
CALLS FOR LESS, INC. and
ILD TELECOMMUNICATIONS, INC.

By:

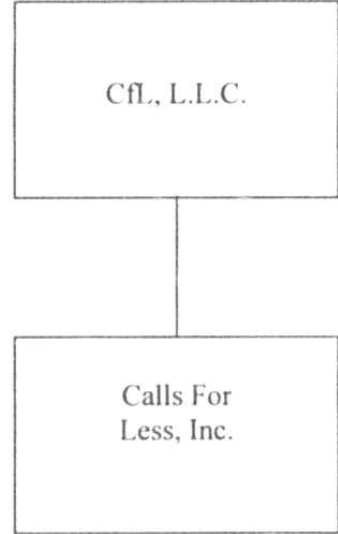
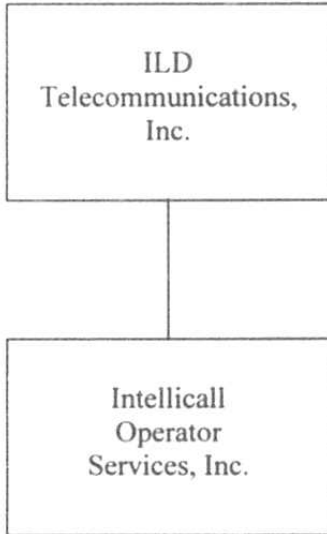


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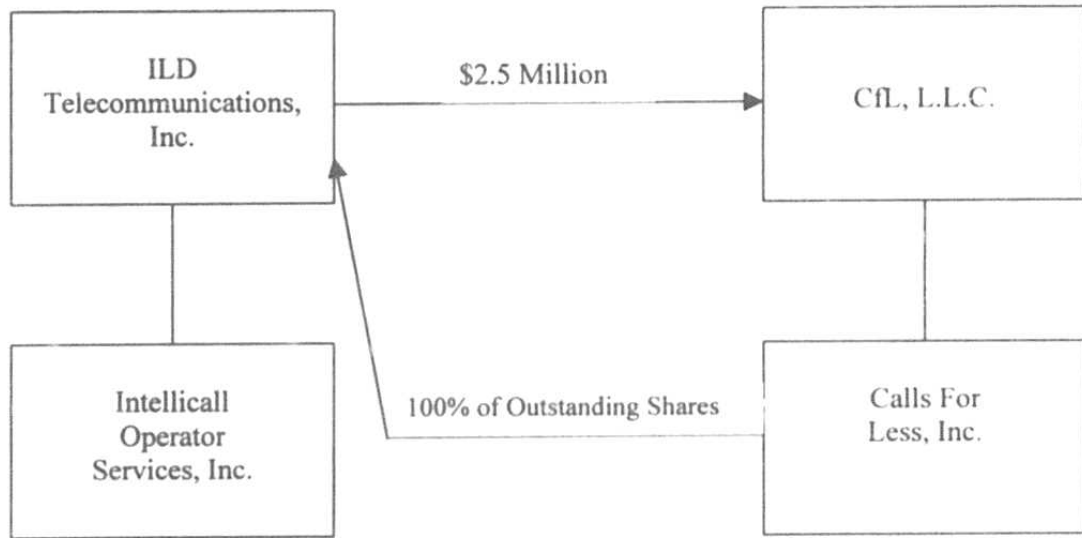
Their Attorney

Attachment A

PRE-TRANSFER OF CONTROL



TRANSFER OF CONTROL



POST-TRANSFER OF CONTROL

